

2022

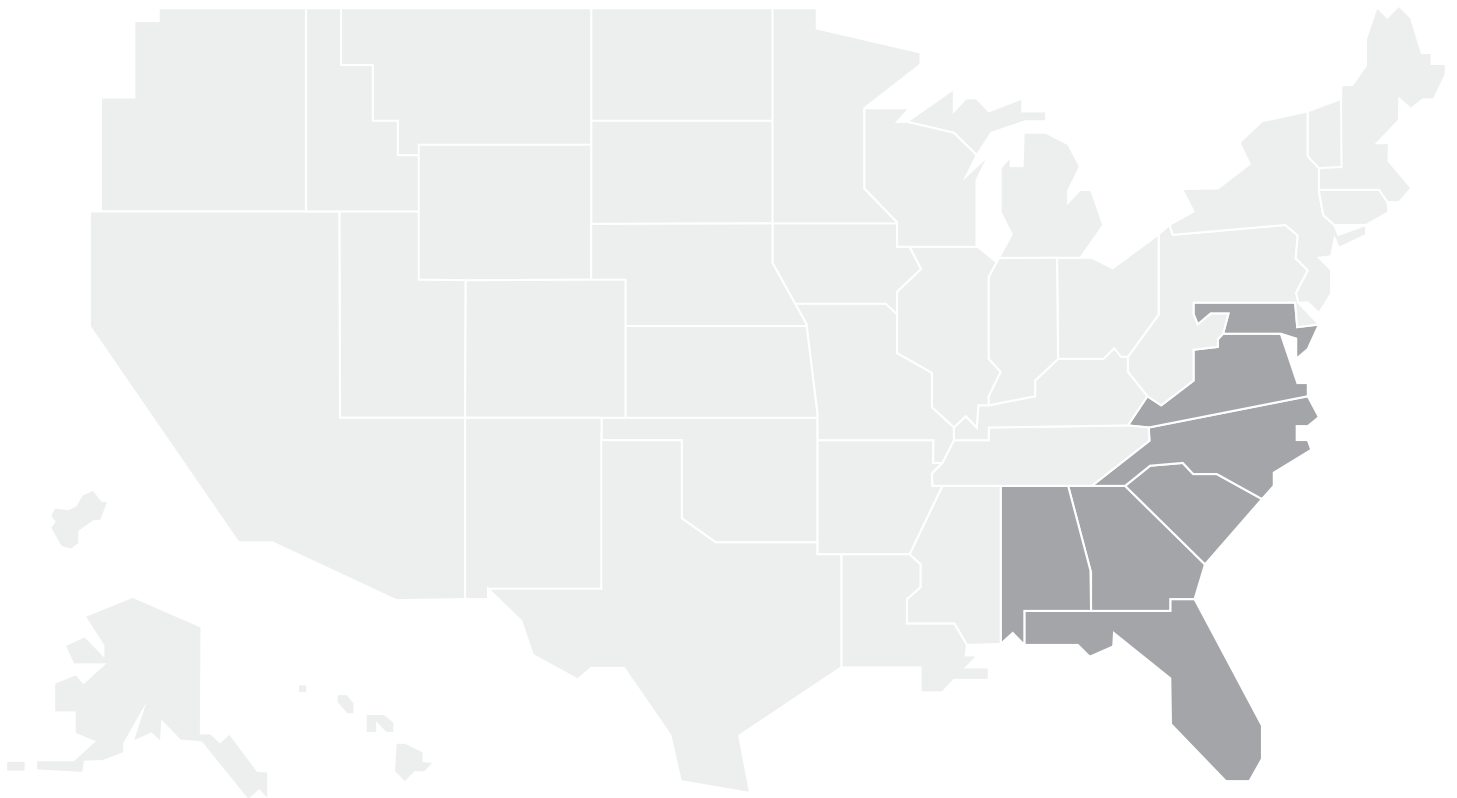
# TARGETED COMMUNITY LENDING PLAN

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FEDERAL HOME LOAN BANK OF ATLANTA

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# OVERVIEW

## I. PURPOSE AND STRUCTURE OF THE TARGETED COMMUNITY LENDING PLAN

Federal Home Loan Bank of Atlanta's (FHLBank Atlanta or Bank) 2022 Targeted Community Lending Plan (TCLP) serves as the Bank's comprehensive strategy for community products, services, and knowledge sharing.

### **The TCLP is required under 12 CFR Part 1290 - Community Support Requirements:**

1290.6 Bank community support programs.

- (a) Each Bank shall establish and maintain a community support program, which shall:
  - (i) Provide technical assistance to members;
  - (ii) Promote and expand affordable housing finance;
  - (iii) Identify opportunities for members to expand financial and credit services in underserved neighborhoods and communities;
  - (iv) Encourage members to increase their targeted community lending and affordable housing finance activities by providing incentives such as awards or technical assistance to nonprofit housing developers or community groups with outstanding records of participation in targeted community lending or affordable housing finance partnerships with members; and
  - (v) Include an annual Targeted Community Lending Plan approved by the Bank's board of directors and subject to modification.

### **The Bank's 2022 TCLP consists of three components:**

- State-level and District of Columbia Market Research
- Analysis of FHLBank Atlanta District Emerging Trends
- Goals, Strategies, Tactics, and Quantitative Measures of Success

The market research component includes a state-by-state and District of Columbia (DC) analysis of key housing and community related data points in the Bank's district. The market research was conducted solely by Bank staff.

The emerging trends component includes several market trends derived from major findings from the state-by-state market needs assessment conducted by the Bank. The identified emerging trends influence the goals, strategies, tactics, and measures of success.

The goals, strategies, tactics, and quantitative measures of success for the Affordable Housing Program (AHP) and Community Investment Cash Advance (CICA) program are delineated into three parts: products; services response; and knowledge sharing. Each of the three parts include a statement of goals, how the goals advance the Bank's Strategic Plan priorities, and the quantitative measures of success.

As per the regulations, the Bank's TCLP accomplishes the following objectives:

| Regulatory Objective   | How it is Managed in the TCLP   |
|--|---|
| Reflect market research conducted in the Bank's district   | The State-level and District of Columbia Market Research section reflects market research   |
| Describe how the Bank will address identified credit needs and market opportunities in the Bank's district for targeted community lending  | The Goals, Strategies, Tactics, and Quantitative Measures of Success section defines how the Bank will address district needs via various products, services, and knowledge sharing strategies  |
| Develop the TCLP in consultation with (and may only be amended after consultation with) its Affordable Housing Advisory Council and with members, housing associates, and public and private economic development organizations in the Bank's district | The Bank developed and executed a schedule of milestones for the review and vetting of sections of the Bank's draft and proposed TCLP; the following section on the Bank's TCLP development process includes additional details   |
| Establish quantitative targeted community lending performance goals  | The Goals, Strategies, Tactics, and Quantitative Measures of Success section includes quantitative goals for each of the three components of strategic response: <ul style="list-style-type: none"> <li>• products quantitative goals;</li> <li>• services quantitative goals; and</li> <li>• knowledge sharing quantitative goals</li> </ul> |
| Identify and assess significant affordable housing needs in the Bank's district that will be addressed through its AHP under 12 CFR part 1291, reflecting market research conducted or obtained by the Bank  | The State-level and District of Columbia Market Research section includes the market research conducted or obtained by the Bank   |

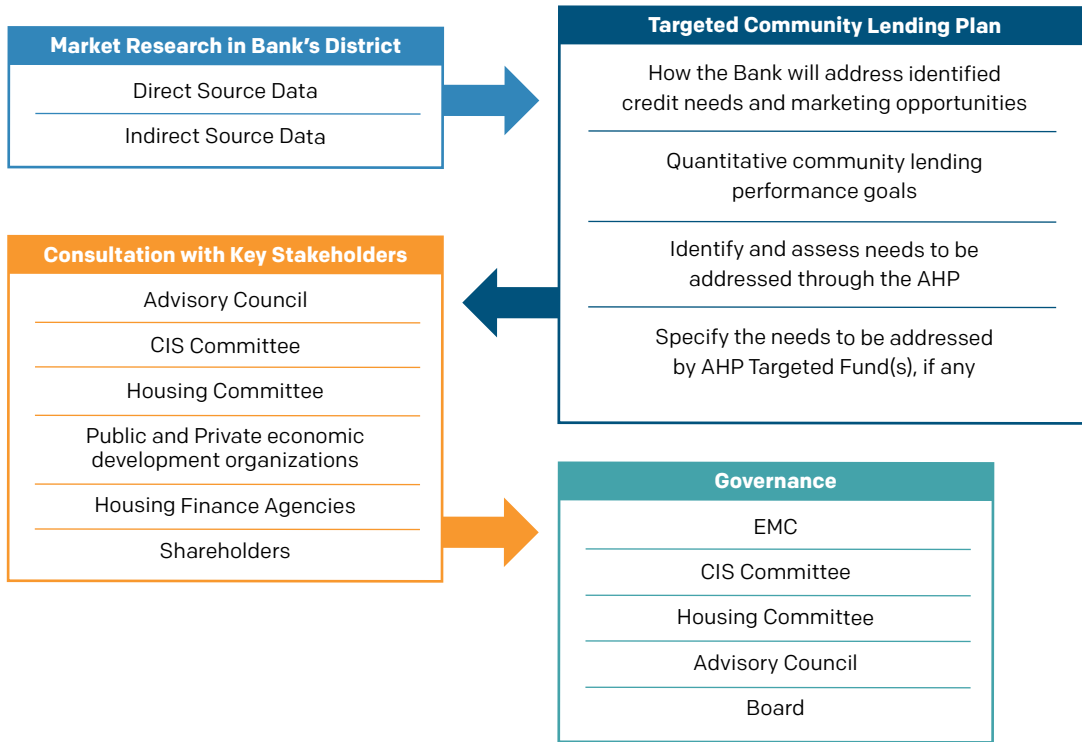
### The Bank's TCLP Development Process and Roadmap

The Bank's TCLP was developed through consultation with various stakeholders. From June 2021 through early December 2021, all of the below entities reviewed and provided input and feedback on drafts of various components of the Bank's TCLP:

- Housing Committee of the Bank's board of directors
- Chair and vice chair of the Housing Committee of the Bank's board of directors acting as subcommittee
- Affordable Housing Advisory Council (AHAC)
- Policy and Regulatory Opportunities Subcommittee of AHAC
- Community Investment Services (CIS) Committee
- Executive Management Committee
- Housing finance agencies
- Public and private economic development agencies
- Member financial institutions focus group
- Member Sales, Trading, and Education department
- Corporate Communications/Marketing department

The development and approval process for the Bank's 2022 TCLP followed the research, consultation, and plan development and approval process outlined below.

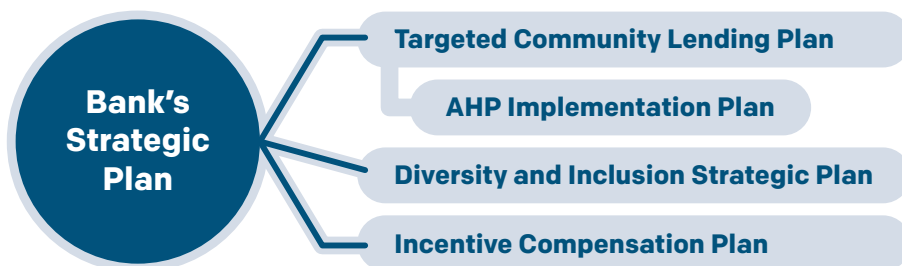
## TCLP DEVELOPMENT ROADMAP



\*Based on 12 C.F.R. 1200.6 Federal Register, November 28, 2018

### Alignment with the Bank's Strategic Plan and Other Defining Documents

The Bank's TCLP is aligned with and advances the Bank's Strategic Plan. Specifically, for each of the three parts of the Bank's Goals, Strategies, Tactics, and Quantitative Measures of Success, i.e., products response, services response, and knowledge sharing response, there is a statement of goals and how the goals advance the Bank's Strategic Plan priorities. Additionally, several of the strategies and tactics in the responsive strategic initiatives for 2022 are positioned to also advance elements of the Bank's Diversity, Equity, and Inclusion (DEI) strategy and the Bank's Incentive Compensation Plan.



## II. STATE-LEVEL AND DISTRICT OF COLUMBIA MARKET RESEARCH

The State-level and District of Columbia Market Research section is a state-by-state and DC analysis of key housing and community related data points. The market and data analysis is separated into two categories; Direct Sources of Data and Indirect Sources of Data. Both categories of data and sources of market research in this component were compiled solely by Bank staff.

### **Direct Sources of Data and Understanding**

The approach by the Bank to participate in, sponsor, and/or create strategic events with stakeholders for the purpose of gathering direct market insight is a fundamental element of the assessment of community finance needs. These events focused on community lending and affordable housing, and the stakeholder participants in the events included a broad range of for-profit and nonprofit organizations, government officials, advocacy groups, trade organizations, regulators, developers, and others.

Bank staff positioned themselves to better ascertain community lending and market needs by serving as either a speaker, panelist, moderator, exhibitor, and/or attendee at these events. The Bank also leveraged AHAC members and members of its board of directors to further enhance the opportunity for community feedback.

The continued COVID-19 pandemic during the development period of the 2022 TCLP caused stakeholders, member financial institutions, and partners to limit face-to-face gatherings, postpone sponsored events, and cancel engagements. In response to this, the Bank continued to utilize alternative event strategies. The Direct Sources of Data were derived from web-based workshops, forums, and other activities that were sponsored, hosted, and/or supported by the Bank.

### **Indirect Sources of Data and Understanding**

Bank staff have undertaken an assessment of several Indirect Sources of Data for each of the states within the Bank's district, including DC. These data include:

- Population Statistics
- Income and Poverty Statistics
  - Median Incomes
  - Poverty by Ethnicity
- Housing Statistics
  - Homeownerships Rates
  - Mortgage and Rent Delinquencies
  - Home Prices
  - Housing Affordability
- Broadband Access
- Diversity, Equity, and Inclusion
  - Minority Depository Institutions (MDIs)
  - Minority Serving Organizations (MSOs)
- Housing and Property Encumbered by Title Entanglement
- Climate Change Impact and Building Resiliency
- Difficult Development Areas

The sources of the above data include reports, published articles, and material from government entities, trade groups, and other trusted sources.

### III. ANALYSIS OF FHLBANK ATLANTA DISTRICT EMERGING TRENDS

From the state-by-state analysis of district needs and market assessment, the Bank developed a set of market trends that are somewhat shared across the district. These emerging district level trends are as follows:

#### Population

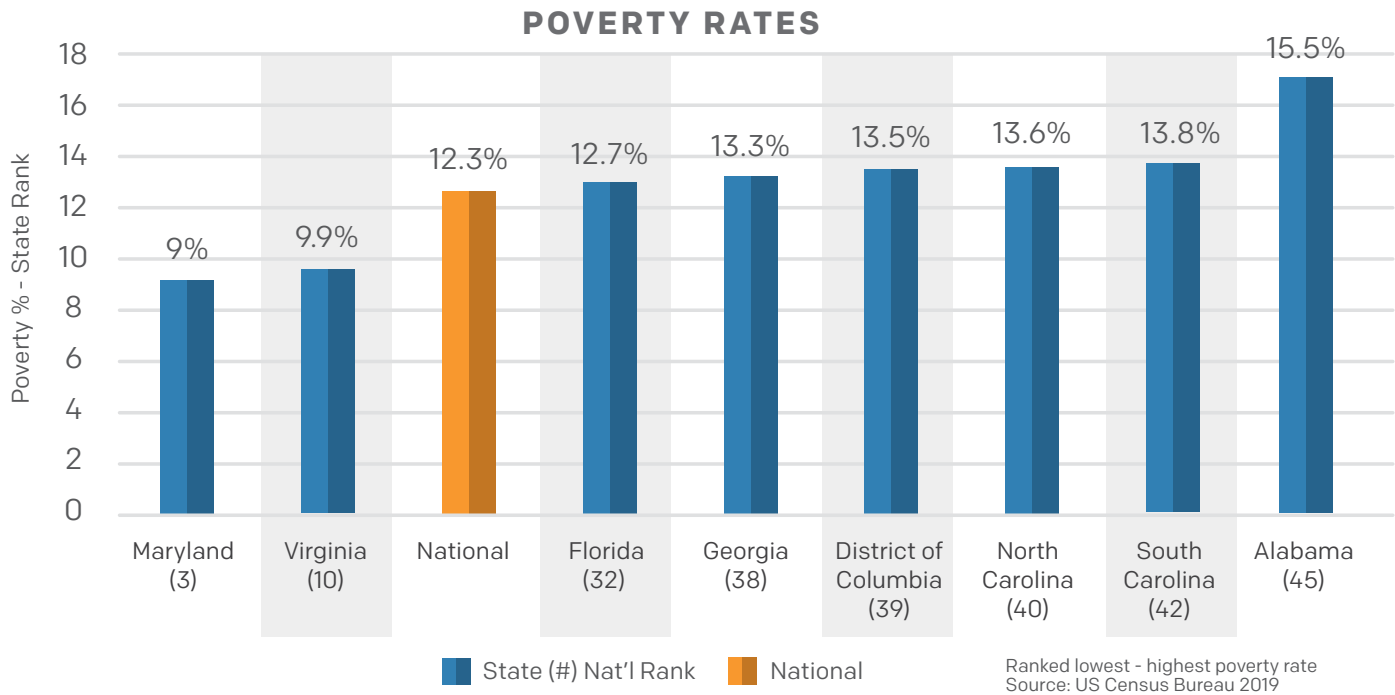
Emerging Trend: The states in the Bank’s district continue to grow at a faster rate than the national average. This trend was amplified with the exodus from crowded northern and western urban communities during the COVID-19 pandemic.

#### Median Household Income

Emerging Trend: The Bank’s district continues to see population growth, but household incomes remain lower than the national median, suggesting population increases are from additional households of lower income.

#### Poverty Rate

Emerging Trend: When combined with increases in population and disparity in median household income, elevated poverty levels create an environment where essential services such as affordable housing are in particularly high demand.



#### Homeownership Rate

Emerging Trend: Homeownership rates in the Bank’s district are generally in line with, or better than, the national average, and mortgage delinquencies have declined since 2020 as employment rates have improved.

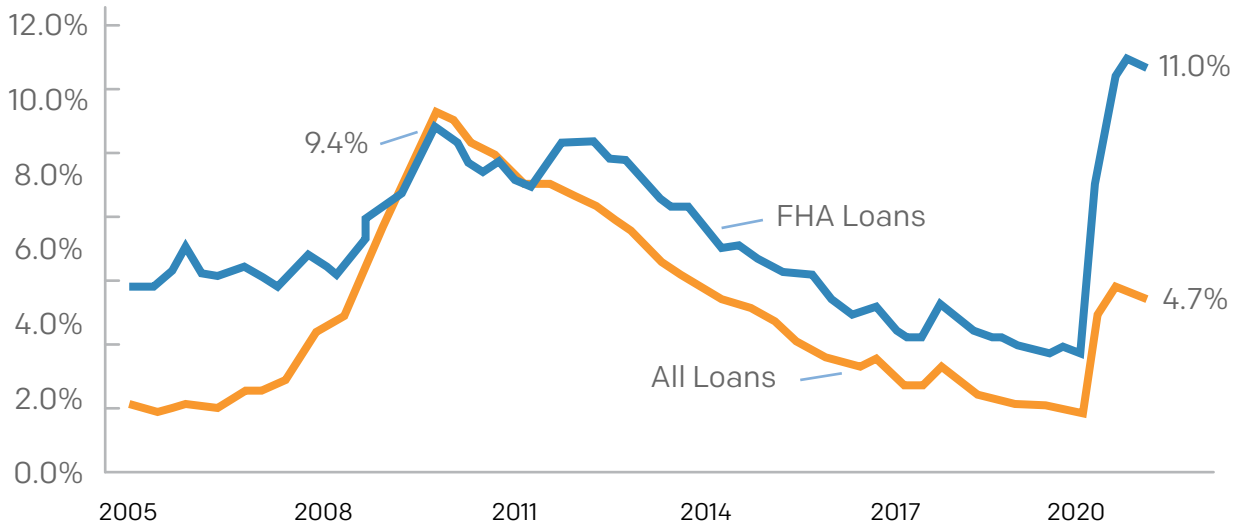
#### Mortgage and Rent Delinquencies

Emerging Trend: Delinquencies spiked drastically during the COVID-19 pandemic in 2020, and while some of those issues were resolved with emergency funds, there are continuing issues with certain regions and demographics that have not recovered income levels to sustain their payments without assistance. Additional concerns arise as the moratorium on evictions ends and those with delinquencies lose their housing.

#### Housing Material Price and Development Cost Escalation

Emerging Trend: The Bank’s district, along with the rest of the country, is experiencing extreme price increases for all types of building materials, making affordable housing even more difficult to acquire. In some communities there is additional challenge due to higher development costs overall, as recognized by the U.S. Department of Housing and Urban Development's (HUD) Difficult Development Area (DDA) categorization of geographies across the Bank's district.

## SERIOUS MORTGAGE DELINQUENCY RATE LOAN TYPE Q1 2005 - Q1 2021



Notes: Not seasonally adjusted, serious mortgage delinquency includes loans 90+ days delinquent and loans in foreclosure

Source: Mortgage Bankers Association, National Delinquency Survey, Q1 2021

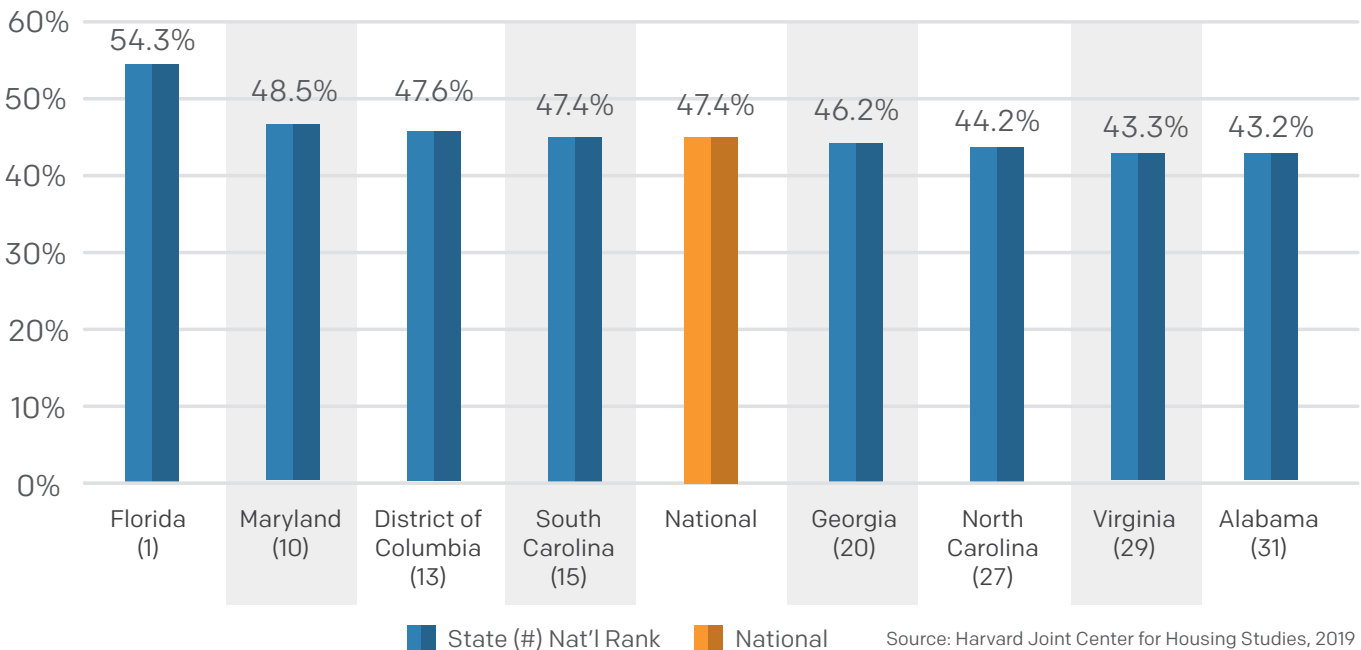
### Demand for Affordable Homeownership

Emerging Trend: Increasing home prices across the Bank's district continue to make affordability a challenge for low- to moderate-income residents.

### Renter Wages Compared to Cost of Rental Housing

Emerging Trend: Rental housing throughout the Bank's district remains unaffordable for the average renter. Minimum wage earners are unable to afford housing in most of the Bank's district even with two full-time wage earners in the household.

## COST BURDENED RENTER %



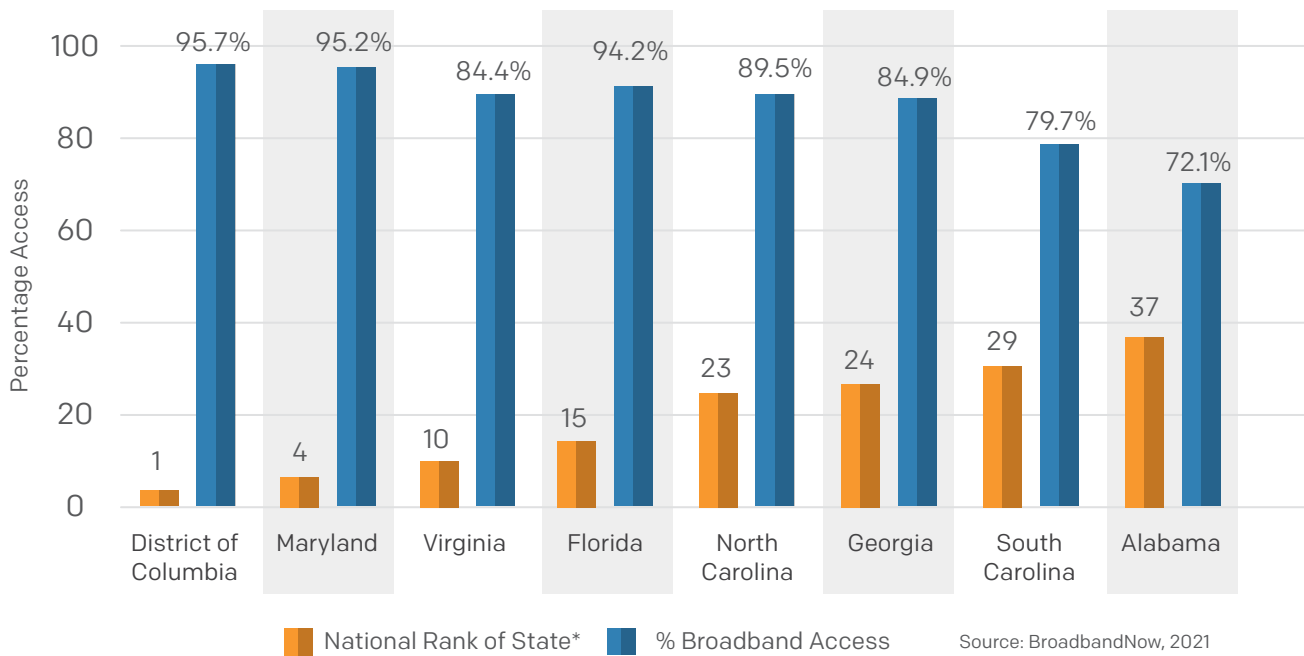
Source: Harvard Joint Center for Housing Studies, 2019



## Broadband Access

Emerging Trend: The range of broadband accessibility across the Bank’s district varies significantly. DC ranks first in the nation in terms of accessibility, while Alabama ranks 37th. Tenant and homeowner access to broadband varies considerably throughout the Bank’s district.

### NATIONAL BROADBAND ACCESSIBILITY RANKING



## Diversity, Equity, and Inclusion/Decline of MDIs

Emerging Trend: In five of the states in the Bank’s district, including DC, the number of MDIs has remained constant over the past five years. However, Florida has lost four MDIs, while Virginia has lost all of its MDIs and currently has none. Florida and Georgia currently have the most with nine each. Across the Bank’s footprint there are only two MDIs that are not FHLBank Atlanta members.

## Diversity, Equity, and Inclusion/MSOs

Emerging Trend: Currently, there are many MSOs that exist throughout the Bank’s footprint. Ongoing efforts to increase the Bank’s outreach database to connect shareholders with these organizations is crucial in meeting DEI program goals.

## Housing and Property Encumbered by Title Entanglement

Emerging Trend: Nationally, there are properties that have limited financial use due to the title being clouded in some way, and this issue is particularly acute in the Southern Black Belt, which comprises many of the states in the Bank’s district. The families and individuals impacted by this issue tend to be low-income and frequently minority, and it contributes to not only blight in these communities but is a deterrent to the accumulation of wealth by these households over generations.

## Climate Impacts and Building Resiliency

Emerging Trend: Disaster recovery is a recurring need in many communities within FHLBank Atlanta's district due to recurring storm activity of increasing intensity.

## Difficult Development Areas

Emerging Trend: Areas with higher costs of development are at a disadvantage in addressing their affordable housing needs.

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## IV. GOALS, STRATEGIES, TACTICS, AND QUANTITATIVE MEASURES OF SUCCESS

The Goals, Strategies, Tactics, and Quantitative Measures of Success section provides the strategies, tactics, and quantitative goals for the AHP and CICA, and are delineated into three parts: products response, services response; and knowledge sharing response. Each of the three parts include a statement of goals, how the goals advance the Bank's Strategic Plan priorities, and the quantitative measures of success.

CICA advances can help institutions meet the housing and economic development needs of low- to moderate-income communities. They can be leveraged to attract new business, achieve affordable housing goals, and reduce funding costs.

Below are highlights of the Bank's Goals, Strategies, Tactics, and Quantitative Measures of Success:

### Strategic Response – Products

AHP allocation

- New AHP
  - General Fund – 65%
  - Homeownership Set-aside Program – 35%
- Returned AHP
  - General Fund – 0%, except for the amount of funds required to fully fund the last winning 2022 AHP General Fund application, if necessary
  - Homeownership Set-aside Program – 100%

### Emerging Trends Addressed

Demand for Affordable Homeownership

- Increasing home prices across the Bank's district continue to make affordability a challenge for low- to moderate-income residents.

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### Strategic Response – Products

Establish an AHP General Fund that provides opportunities for projects that respond to housing related healthcare delivery and broadband access objectives in the Bank's district.

- Maintain General Fund scoring criteria that rewards projects that include broadband services, devices, or some other enhancement of the access to broadband internet by tenants or homebuyers of the project.

### Emerging Trends Addressed

Broadband Access

- The range of broadband accessibility across the Bank's district varies significantly. DC ranks first in the nation in terms of accessibility, while Alabama ranks 37th.

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### Strategic Response – Products

Implement an AHP General Fund that recognizes the need for more subsidy availability for affordable housing located in communities with comparably higher cost of development.

- Implement a General Fund that allows applications for proposed projects located within a HUD designated DDA a maximum funding amount up to \$750,000 and up to \$500,000 for proposed projects not located in a HUD designated DDA.

### Emerging Trends Addressed

Rising Cost of Construction and Development

- Construction costs and overall development costs have experienced dramatic increases during the pandemic and the ability to finance affordable housing developments in higher cost areas has declined as a result.

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### Strategic Response – Products

Establish an AHP General Fund that provides incentives for projects with heirs' property as a component.

- Implement a General Fund scoring criteria that rewards projects that involve the resolution of heirs' property challenges.

### Emerging Trends Addressed

Heirs' Property

- Heirs' property issues throughout the Bank's district hinder the ability of impacted families to build generational wealth, have equitable access to housing financing, and limit their opportunities for homeownership.

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**Strategic Response – Services**

Operate Community Reinvestment Act (CRA) Center of Excellence to better position CRA-regulated shareholders for compliance success

- Offer CRA consultative services that include a component on how the shareholder can better achieve business development success in minority communities.

**Emerging Trends Addressed**

Poverty Rate

- Elevated poverty levels create an environment where essential services such as affordable housing are in particularly high demand. In the Bank's district, poverty levels exceed the national averages, while median incomes are lower than the national average. Minorities continue to experience higher rates of poverty than the rest of the population in the Bank's district.

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**Strategic Response – Services**

Connect MSOs to shareholders to achieve DEI objectives.

- Enhance the Bank's database of MSOs that are connected to housing, community lending, real estate, and related industries.
- Leverage Find a Member tool and other service and Knowledge Sharing events to connect MSOs and shareholders.

**Emerging Trends Addressed**

Diversity, Equity, and Inclusion/MSO Database

- Currently, there are many MSOs that exist throughout the Bank's footprint. Ongoing efforts to increase the Bank's outreach database to connect shareholders with these organizations is crucial in meeting DEI program goals.

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**Strategic Response – Services**

Continue to offer financial literacy platform as a way to help ensure successful outcomes for beneficiaries of AHP and to expand financial literacy opportunities throughout our district.

- Expand awareness of and market financial literacy platform to targeted shareholders in the community bank segment.
- Explore opportunities to expand financial literacy platform with other initiatives in the district, particularly where there is a DEI objective.

**Emerging Trends Addressed**

Poverty Rate

- Currently, all but two states throughout the Bank's footprint have poverty rates higher than the national average.

Mortgage and Rent Delinquency

- In all seven states in the Bank's district and DC, there is a material segment of residents that have fallen behind on rent or mortgage payments.

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**Strategic Response – Knowledge Sharing**

Create and execute a Bank-sponsored forum to enable shareholders and stakeholders to discover new opportunities in addressing the heirs' property challenge and identify solutions in the Bank's district.

- Host one forum addressing the heirs' property challenge and potential solutions in the Bank's district.
- Leverage AHAC, board members, and shareholder relationships to execute the knowledge sharing forum.

**Emerging Trends Addressed**

Heirs' Property

- Heirs' property issues throughout the Bank's district hinder the ability of impacted families to build generational wealth, have equitable access to housing financing, and limit their opportunities for homeownership.

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**Strategic Response – Knowledge Sharing**

Support forums, events, and activities sponsored by other organizations consistent with the DEI goals of the Bank.

- Establish calendar of potential forums, events, and activities that are consistent with the DEI goals of the Bank.
- Engage with MSOs and targeted and related industry or trade groups to promote understanding and support of the Bank's DEI goals.

**Emerging Trends Addressed**

Diversity, Equity, and Inclusion/Decline of MDIs

- In five of the states in the Bank's district, including DC, the number of MDIs has remained constant over the past five years. However, Florida has lost four MDIs, while Virginia has lost all of its MDIs and currently has none. Georgia and Florida currently have the most with nine each. Across the Bank's footprint there are only two MDIs that are not FHLBank Atlanta members.

# ALABAMA

*The Yellowhammer State*

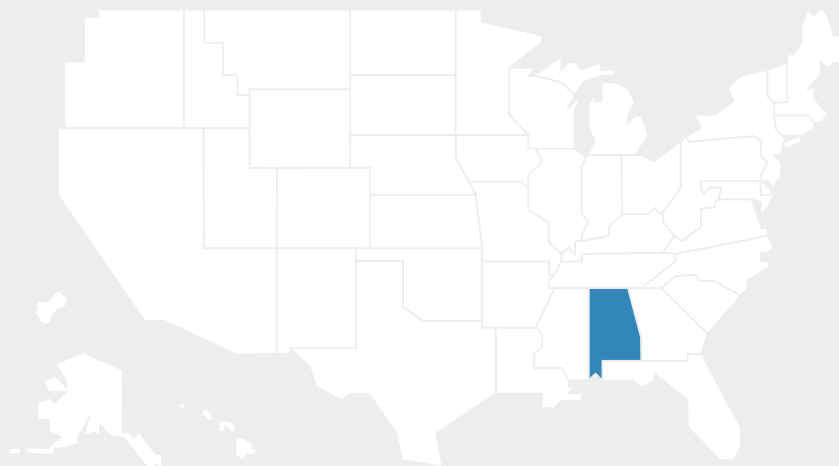


CAPITAL: MONTGOMERY  
LARGEST CITY: BIRMINGHAM  
AREA: 52,419 SQ MILES

22

1819

Latitude: 30° 11' N to 35° N  
Longitude: 84° 53' W to 88° 28' W



# ALABAMA

## 2021 EVENTS - THROUGH OCTOBER 2021

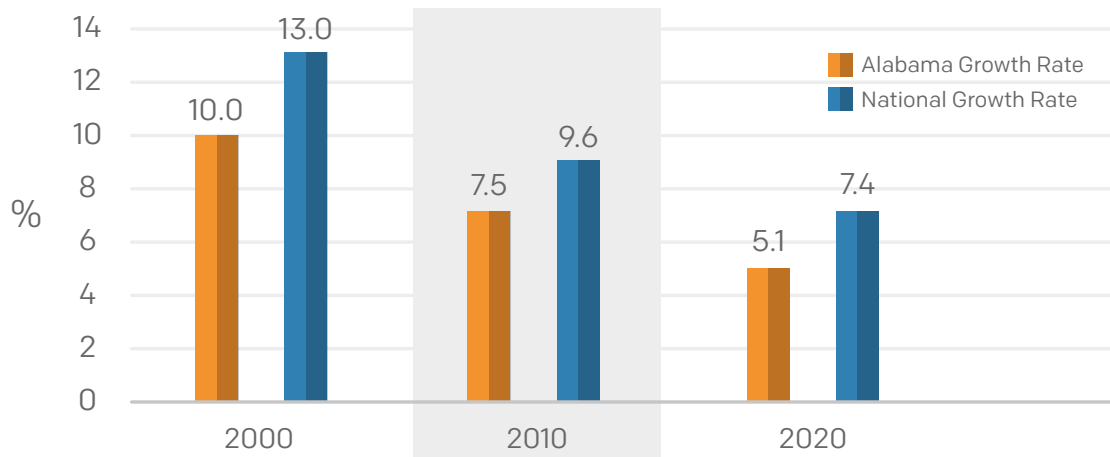
| Name of Event   | Date                    | Forum               | FHLBank Atlanta Role                   | Data and Information   |
|---|-------------------------|---------------------|--|--|
| American Methodist Episcopal (AME) Church Homeownership Webinar | March 29, 2021          | Webinar/<br>Virtual | Presenter                              | Maxima Sims and Cassandra Madden presented information on down payment assistance to 20 homebuyers in attendance.  |
| AME Homeownership Webinar Series                                | May 3, 10, and 17, 2021 | Webinar/<br>Virtual | Co-sponsor, Facilitator, and Presenter | Weekly webinars for three weeks offered to all congregants of the Ninth District of the AME church in Alabama, a total of 285 churches. The webinars were 90 minutes each, and included presentations by five different member banks on topics related to overall financial literacy, the mortgage process, and homeownership financial literacy. A credit counseling agency gave a presentation on credit issues. There were four representatives from municipal departments with down payment assistance information and more, a presentation by the Alabama Housing Finance Authority on their down payment programs, and a presentation by FHLBank Atlanta on down payments available through our AHP. Several realtors spoke on the home buying and mortgage process. A total of 114 homeowners attended the combined events. |



## POPULATION STATISTICS

From 2000 through 2020, Alabama's population growth rate declined from 10 percent to 5.1 percent, consistent with the growth rate pattern nationally but still lagging growth across the nation. According to the World Population Review, many of the counties in Alabama (21 of 67 counties) have under 20,000 residents, and all but one of these smaller counties experienced a decline in population over the last decade. Perry County, with just over 9,000 residents, had the most significant percentage decline at 13.5 percent. Conversely, there are seven counties in Alabama with over 200,000 residents and only one of them experienced a decline. Montgomery County, with 226,000 residents, experienced a decline of 1.6 percent.

### ALABAMA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

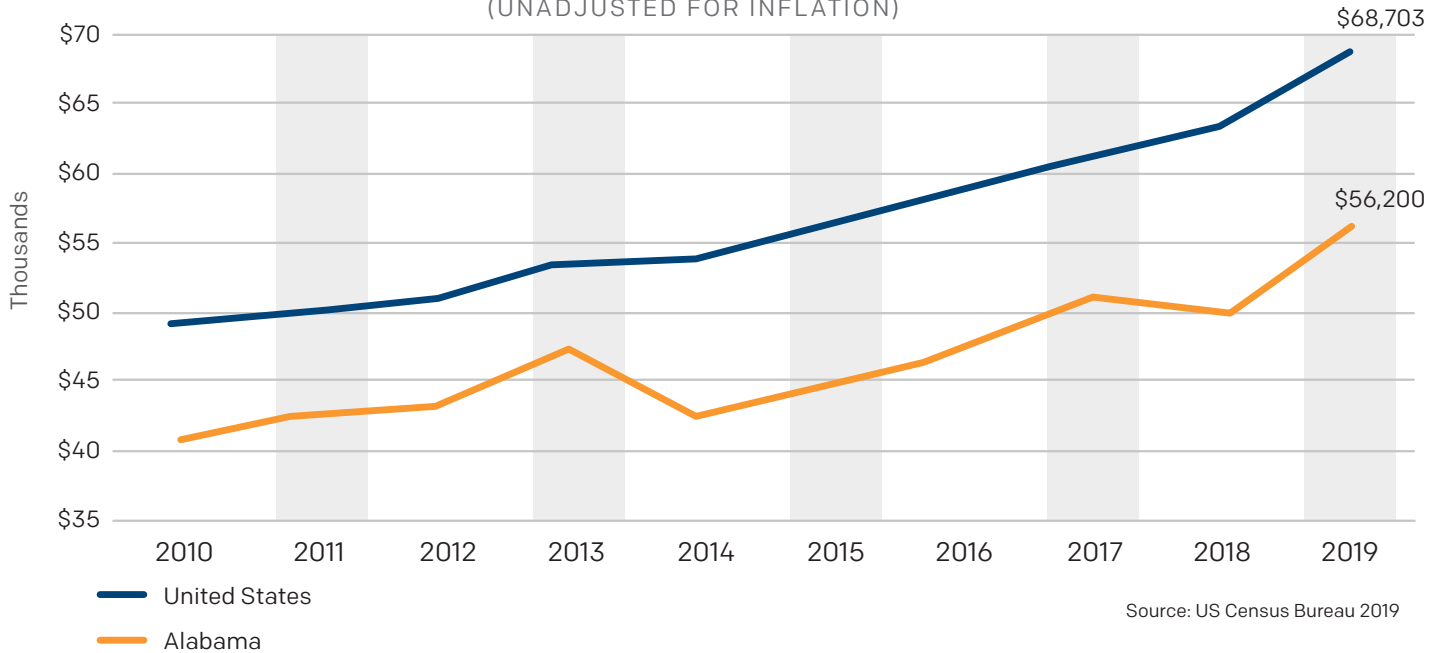


**KEY TAKEAWAY:** In 2020, both the national and state population growth rates continued to decline.

## INCOME AND POVERTY STATISTICS

In 2019, the median household income for Alabama was over \$56,000, marking an increase of more than \$16,000 since 2010. The median household income in the United States grew at a similar rate over the same period, rising from roughly \$50,000 in 2010 to around \$69,000 in 2019. Between 2018 and 2019 (the most recent fiscal year-end data available), all but one county in Alabama saw increases in median income of about four percent. Areas in the middle and southern parts of the state saw the highest increases during that time, while only Cleburne County on the north east side of the state saw a decrease of one percent.

## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)

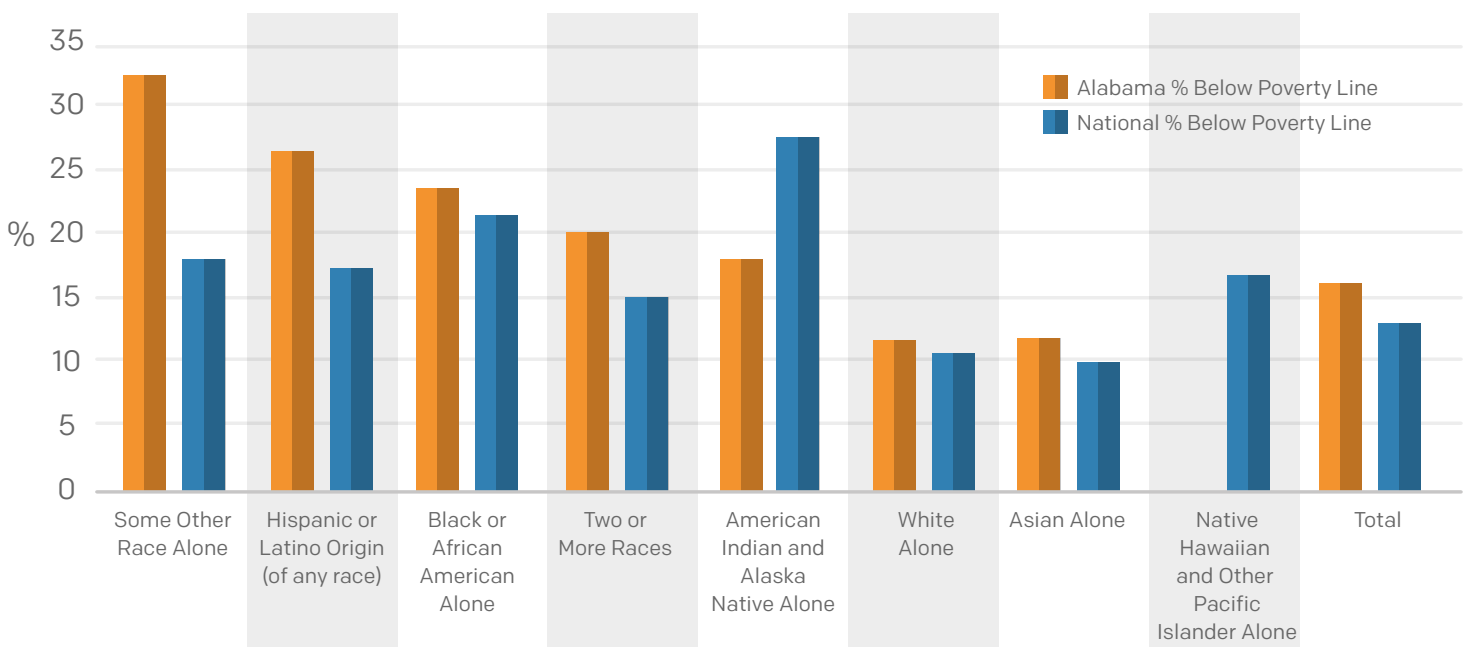


**KEY TAKEAWAY:** The median household income for the state of Alabama in 2019 was \$56,200, which was 18 percent lower than the national median of \$68,703.

In 2019, the federal poverty line ranged from roughly \$12,500 for a person living alone, to over \$25,700 for a family of four. In 2019, an estimated 23.5 percent of Blacks in Alabama lived in poverty, roughly twice the percentage of whites.

## POVERTY BY ETHNICITY

(Source: US Census Bureau 2019)





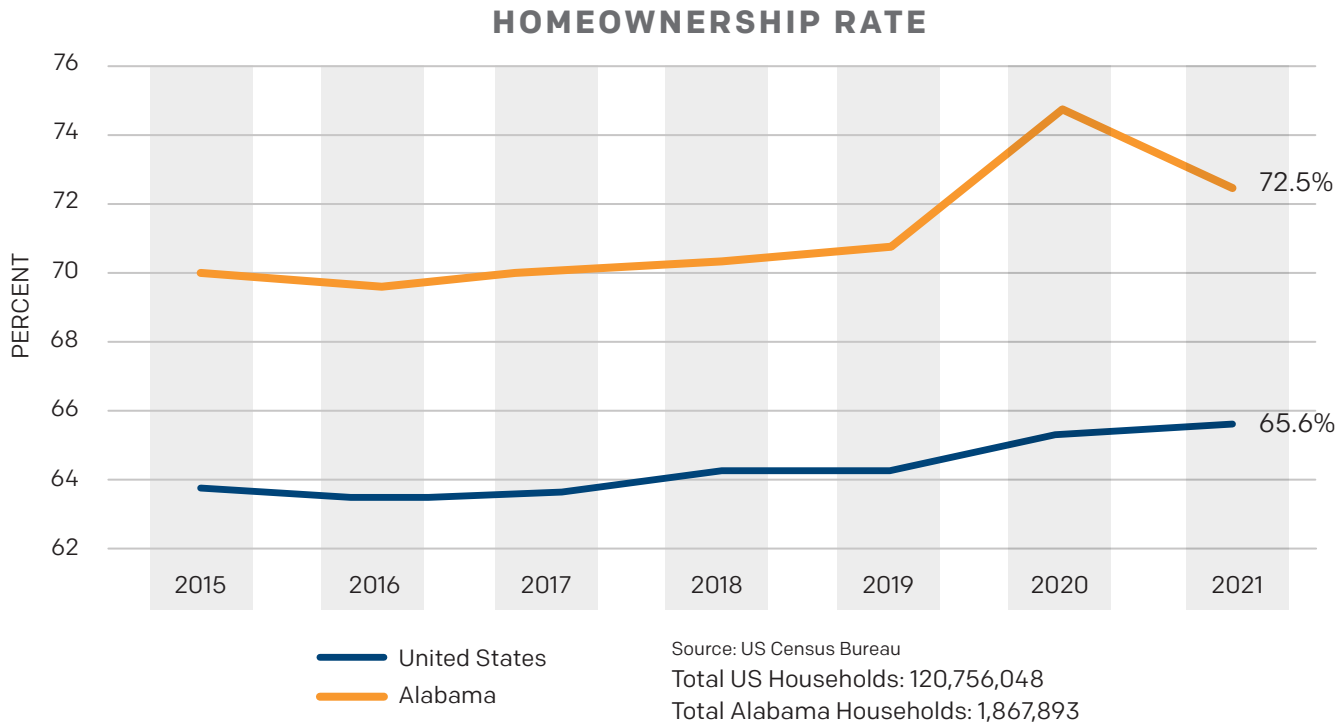
**KEY TAKEAWAY:** In 2019, Black Alabamians were twice as likely to live in poverty as compared to white Alabamians (23.5 percent vs. 11.8 percent).



**KEY TAKEAWAY:** In 2019, an estimated 16 percent of Alabamians lived below the federal poverty line.

## HOUSING STATISTICS

Alabama ranks 8th in the nation for homeownership rate and is the highest in the Bank's district.

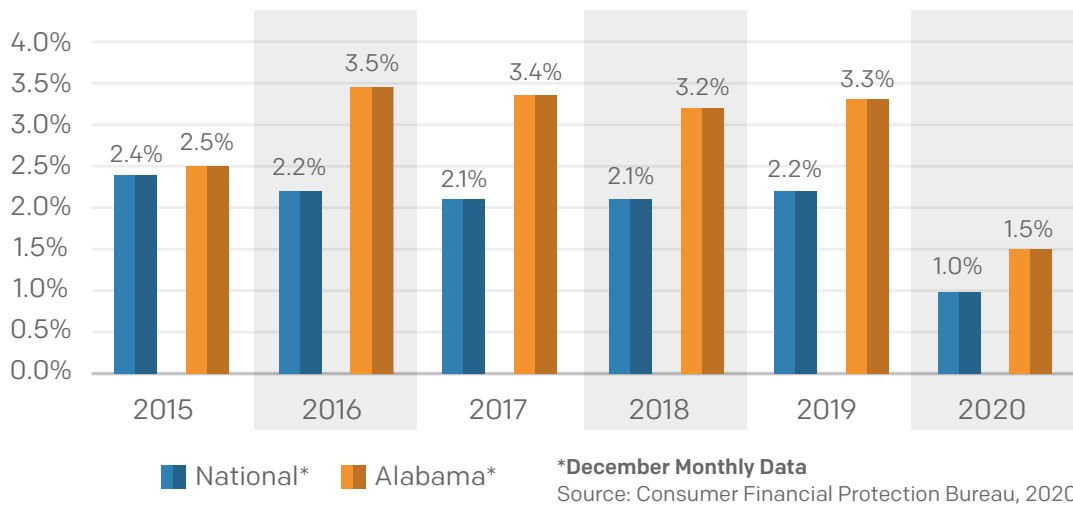


**KEY TAKEAWAY:** The homeownership rate in Alabama has remained consistently higher than the national average over the past several years, currently standing at roughly 72.5 percent, while the national average stands just above 65 percent.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.



## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



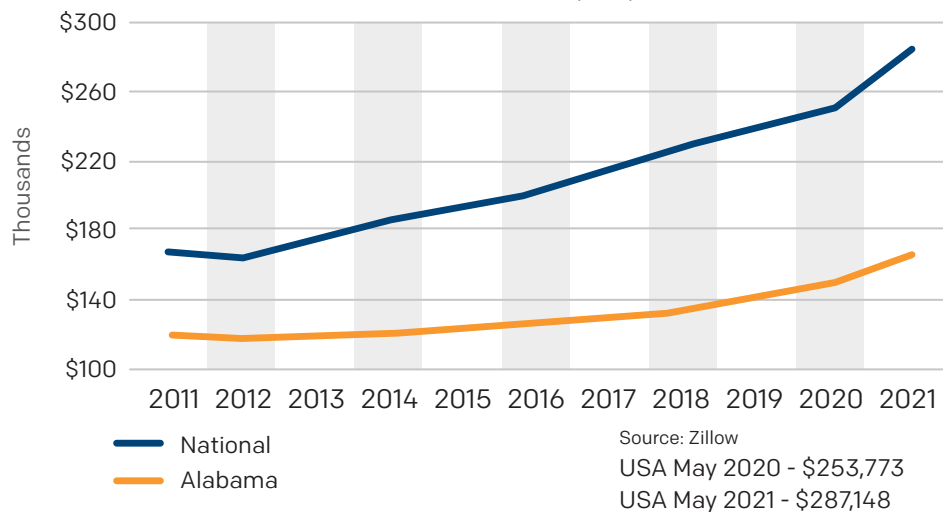
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower both nationally and in Alabama as of December 2020 than it had been in prior years, this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, many consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency. In fact, in an April report on first quarter 2021 foreclosure activity by ATTOM Data Solutions, Birmingham ranked ninth on a list of major metro areas with the highest foreclosure rates.

According to data from Zillow, the median home price in Alabama has steadily increased in recent years. In the current environment, Alabama and the Southeast region in general is likely experiencing pandemic-related upward pressure on prices as the interest in year-round living and relative affordability is encouraging buyers from northern markets to relocate further south.

## MEDIAN HOME PRICES, 2011-2021

ALABAMA MAY 2020 - \$151,295  
ALABAMA MAY 2021 - \$167,810

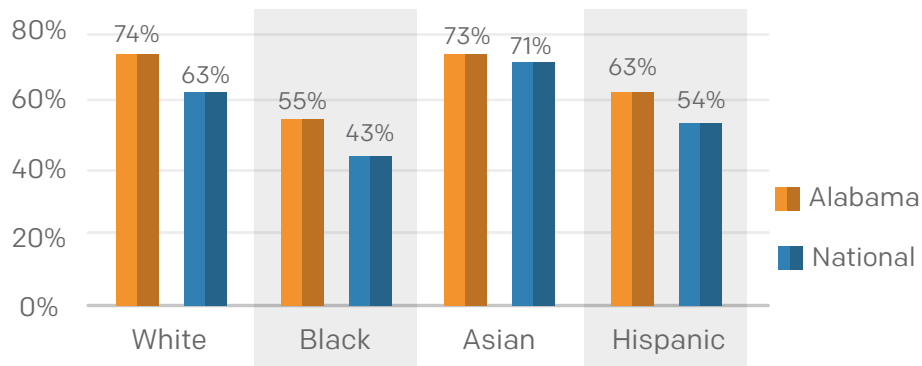


**KEY TAKEAWAY:** Home prices in Alabama continue to lag behind the national average, but did experience increases during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

## SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors 2021)



Total Alabama Households: White: 1,313,260, Black: 510,174, Asian: 20,701, Hispanic: 55,949



**KEY TAKEAWAY:** In Alabama, households of all segments are more able than in many other parts of the country to find an affordable home.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low-income households. Below is their analysis as of 2020 for low-income renters in Alabama.

### FACTS ABOUT ALABAMA:

In **Alabama**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$803**. In order to afford this level for rent and utilities – a household must earn **\$2,676** monthly or **\$32,110** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$15.44**  
PER HOUR  
STATE HOUSING  
WAGE

**85**

Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**71**

Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.1**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**1.8**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

#### STATE FACTS

**\$7.25**  
MINIMUM  
WAGE

**\$13.30**  
AVERAGE  
RENTER  
WAGE

**\$15.44**  
2-BEDROOM  
HOUSING  
WAGE

**585,046**  
NUMBER OF  
RENTER  
HOUSEHOLDS

**31%**  
PERCENT  
RENTERS

#### MOST EXPENSIVE AREAS

**\$18.96**  
BIRMINGHAM  
HOOVER HMFA

**\$17.62**  
DAPHNE-FAIRHOPE  
FOLEY MSA

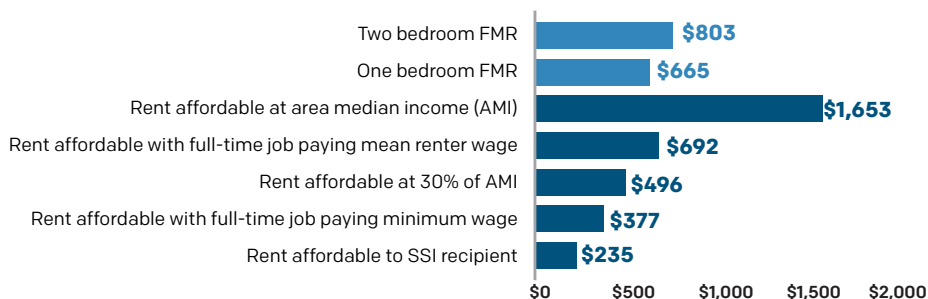
**\$17.02**  
TUSCALOOSA  
HMFA

**\$16.81**  
MOBILE  
MSA

**\$15.96**  
MONTGOMERY  
MSA

MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

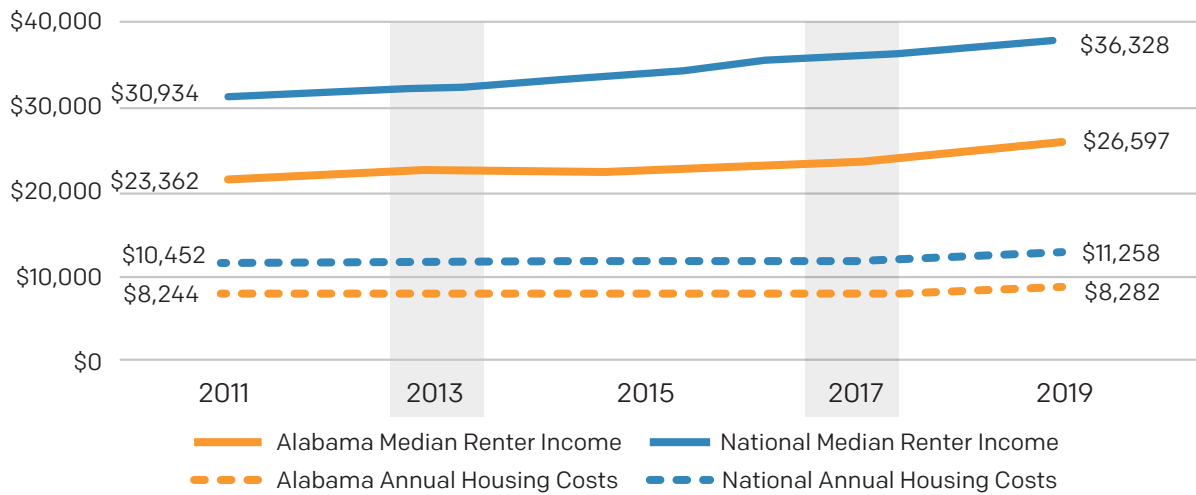
\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico



These numbers have not changed from the prior year, and the picture is still one of severe burden for many Alabama residents who cannot afford housing if they are working for minimum wage, even with more than one full-time earner contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in Alabama experienced a growth in income that outpaced the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was roughly 14 percent, while the growth in rental housing costs was less than 0.5 percent over the same period. This was not the case nationally, where average rental housing costs grew significantly faster (eight percent) than in Alabama, and national median incomes of renters grew at a rate of over 17 percent.

### MEDIAN RENTER INCOME vs. HOUSING COSTS ADJUSTED FOR INFLATION



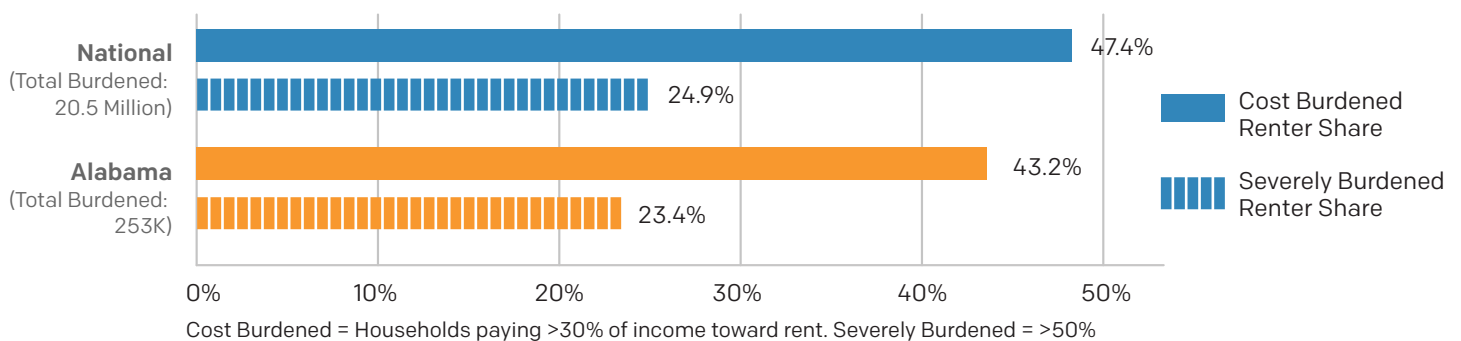
Source: US Census Bureau ACS 1-Year Estimates 2019



**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in Alabama moved up during 2019 while housing costs remained stable.

Across Alabama, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

### COST BURDENED RENTER SHARE SOURCE: HARVARD UNIVERSITY JCHS, 2019



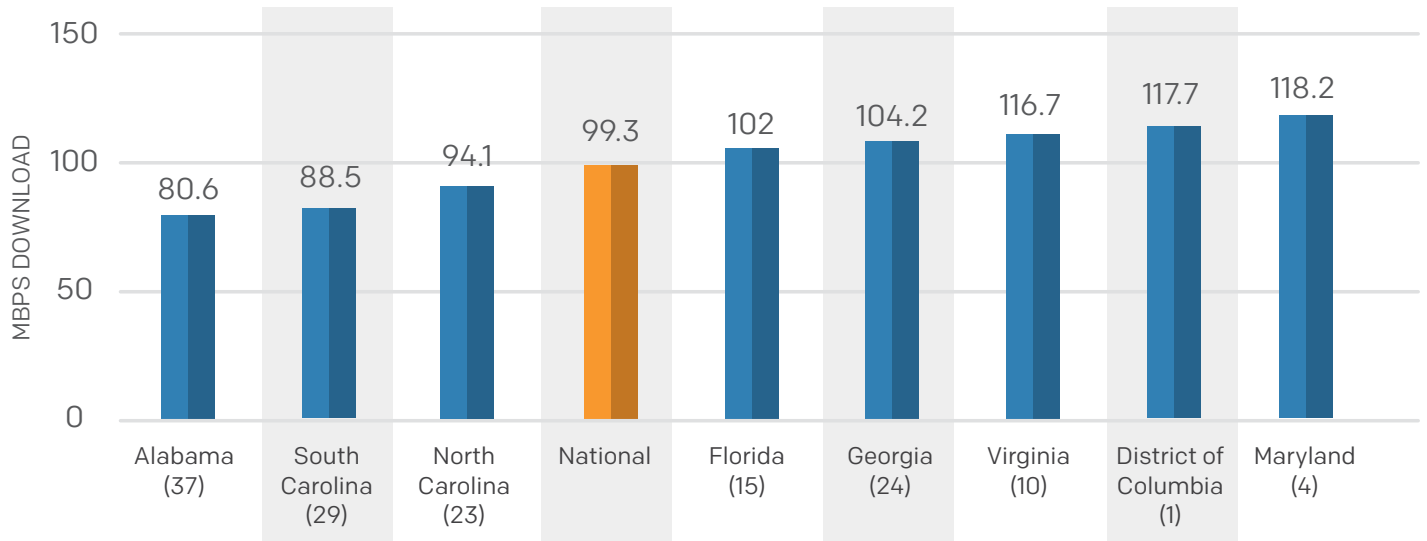
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those another 50 percent are severely cost burdened. The situation in Alabama is only slightly better than the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, Alabama ranked 37th in the country in 2021 in terms of accessibility to broadband technology, and ranked last in almost every statistical category within the Bank's district for coverage, access, and speed and performance. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization's primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

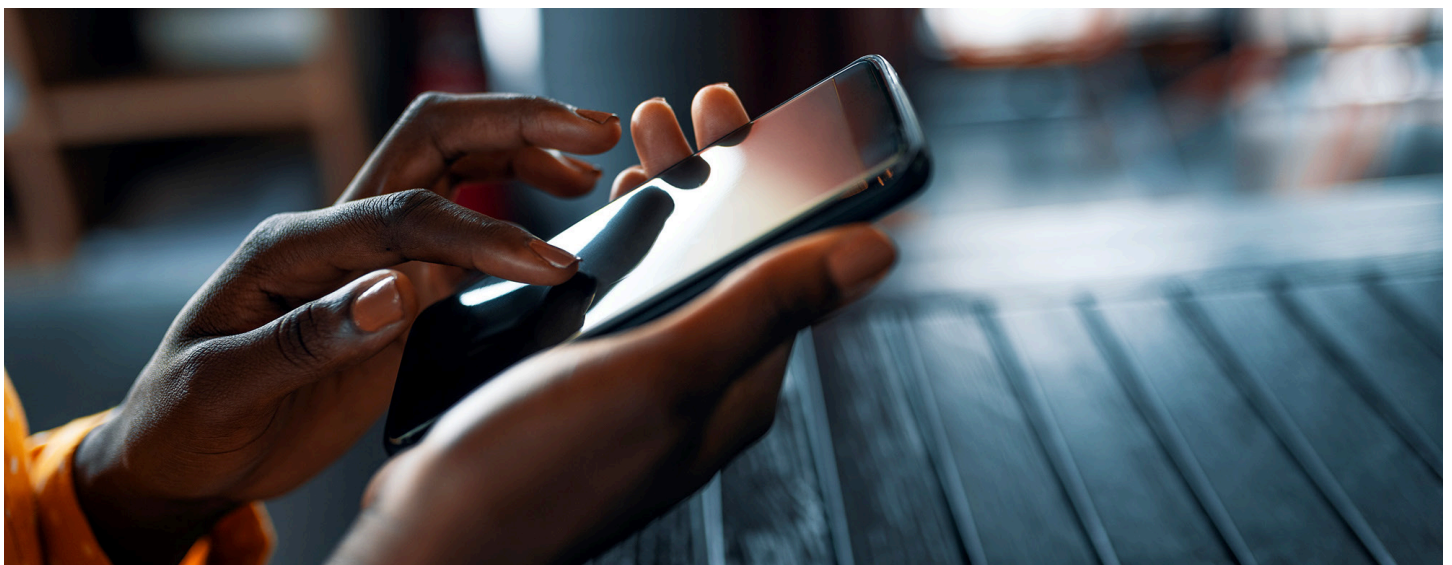
(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** Alabama has the lowest levels of broadband speed and access in FHLBank Atlanta's district.



## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the Bank's district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank's district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### ALABAMA, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total Alabama MDIs                      | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 2    | 2    | 2    | 2    | 2    | 2    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 2    | 2    | 2    | 2    | 2    | 2    |
| Hispanic American                       |      |      |      |      |      |      |
| Asian or Pacific Islander American      |      |      |      |      |      |      |
| Native American Alaskan Native American |      |      |      |      |      |      |



**KEY TAKEAWAY:** The number of MDIs within Alabama has remained constant at two institutions since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization                                     | Category          |
|----|--|-------------------|
| 1  | Alabama SBDC Network                                     | Business          |
| 2  | Alabama A&M University - Huntsville                      | HBCU              |
| 3  | Alabama Dpmt. Of Economic And Community Affairs (Aldeca) | Business          |
| 4  | Blacks in Government                                     | Government        |
| 5  | Gadsden State College - Gadsden                          | HBCU              |
| 6  | Hispanic Business Alliance of North Alabama              | Business          |
| 7  | Hispanic Interest Coalition of Alabama                   | Education         |
| 8  | J.F. Drake State Technical College - Huntsville          | HBCU              |
| 9  | Lawson State Community College - Birmingham              | HBCU              |
| 10 | Miles College - Fairfield                                | HBCU              |
| 11 | Minority and Women Farmers and Ranchers                  | Agriculture - RE  |
| 12 | National Diversity Council                               | Education         |
| 13 | Ninth District AME Church                                | Community Service |
| 14 | Oakwood University - Huntsville                          | HBCU              |
| 15 | Selma University - Selma                                 | HBCU              |
| 16 | Shelton State Community College - Tuscaloosa             | HBCU              |
| 17 | Southern Region Minority Supplier Development Council    | Builders          |
| 18 | Stillman College - Tuscaloosa                            | HBCU              |
| 19 | Talladega College - Talladega                            | HBCU              |
| 20 | The Alabama Women's Business Development Center (WBDC)   | Business          |
| 21 | Tuskegee University - Tuskegee                           | HBCU              |

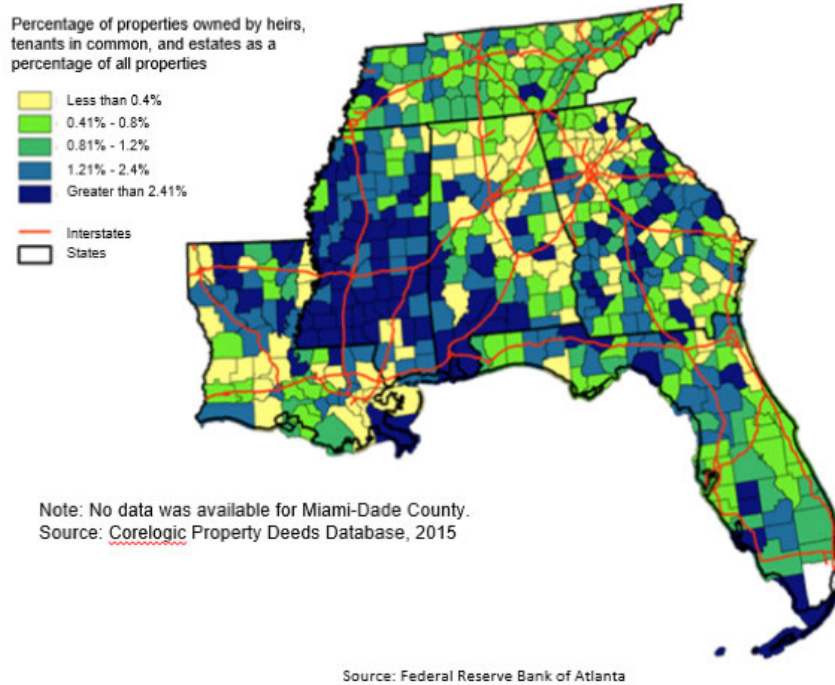


**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt that includes Alabama, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair. Based on the information gathered by the Federal Reserve Bank of Atlanta and graphically depicted below, there is a significant amount of property in Alabama that is impacted by the heirs' property title issue.

### Percentage of Residential Heirs' Properties by County in the Southeast



**KEY TAKEAWAY:** Alabama has a significant proportion of properties with tangled titles that deter wealth generation for impacted families.

Using data from a number of publications, the following sample of counties in Alabama contain over \$104 million in potential wealth that is tied up in heirs' property and therefore not easily accessible to the property owners.

### SAMPLE BLACKBELT COUNTIES DATA ON HEIRS' PROPERTY

| COUNTY       | SETTING | HEIRS' PROPERTY (ACRES) | LAND IN HEIRS' PROPERTY (%) | VALUE OF ALL HEIRS' PROPERTY (\$ MILLIONS) | VALUE PER ACRE (\$) | MEDIAN VALUE OF HEIRS' PROPERTY |
|--------------|---------|-------------------------|-----------------------------|--|---------------------|---------------------------------|
| Macon        | Rural   | 15,971                  | 4.1%                        | \$44.30                                    | \$2,771             | \$25,350                        |
| Calhoun      | Urban   | 4,468                   | 1.1%                        | \$30.40                                    | \$6,806             |                                 |
| Pickens      | Rural   | 6,519                   | 1.1%                        | \$13.40                                    | \$2,059             |                                 |
| Wilcox       | Rural   | 8,061                   | 2.8%                        | \$16.40                                    | \$2,036             |                                 |
| <b>TOTAL</b> |         | <b>35,022</b>           |                             | <b>\$104.50</b>                            |                     |                                 |

The Federal Reserve Bank of Atlanta published data in 2017 estimating the pervasive impact of heirs' property across a broader group of counties, considered Black Belt counties, in Alabama. The summary data is as follows:

### HEIRS' PROPERTY ESTIMATES BY ATLANTA FEDERAL RESERVE

|  |         |
|--|---------|
| Number of Black Belt counties (>25% Black)                         | 30      |
| Percent land in heirs' property (Black Belt average)               | 2%      |
| Total acres heirs' property Black Belt counties                    | 317,786 |
| Heirs' property value per acre                                     | \$2,500 |
| Total value of heirs' property in Black Belt counties (\$ million) | \$794.5 |
| Average acres of heirs' property per county                        | 10,593  |
| Average value of heirs' property per county (\$ million)           | \$26.5  |

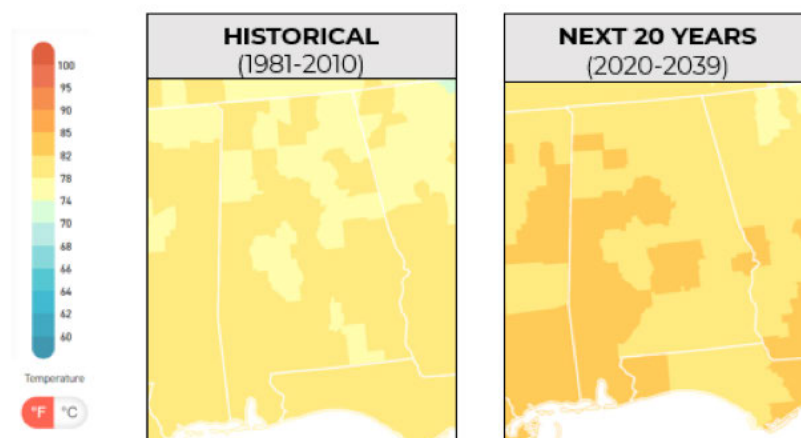
### CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

The impact from tropical storms and hurricanes has become more destructive over the last 50 years, and the results have been devastating for Alabama. Additionally, scientists predict that sea levels will rise along the Alabama coast by 18 inches to four feet within the next century, leading to greater storm surge impact for coastal homes and infrastructure. This is likely to increase the cost of flood insurance, while increased storm frequency will likely lead to higher deductibles for wind damage insurance. Drivers of economic activity along the Alabama coast such as cities, railways, ports, and oil and gas facilities are vulnerable to the combined impact of more frequent and stronger storms and rising sea levels.

Increased precipitation could have a further negative impact on homes and infrastructure across Alabama. The amount of precipitation during heavy rainstorms in the Southeast has increased by 27 percent since 1958, and in Alabama specifically, heavy rains have caused the Pea River in Elba to flood several times. Similarly, heavy rains caused the Alabama River to flood in Selma and Montgomery in 1990, with 2,000 homes impacted.

Increased evaporation from warming temperatures leads to droughts, which impact the amount of electricity generated for the state of Alabama by Alabama Power and the Tennessee Valley Authority through their hydroelectric dams. Currently, these dams are responsible for about eight percent of the electricity produced in the state. Increased utility costs will impact home owners and renters of limited means across the state who are already experiencing a housing cost burden.

### HISTORICAL AND PROJECTED TEMPERATURES FOR ALABAMA



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery contribute to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.



**KEY TAKEAWAY:** Alabama residents may experience increased expenses related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.



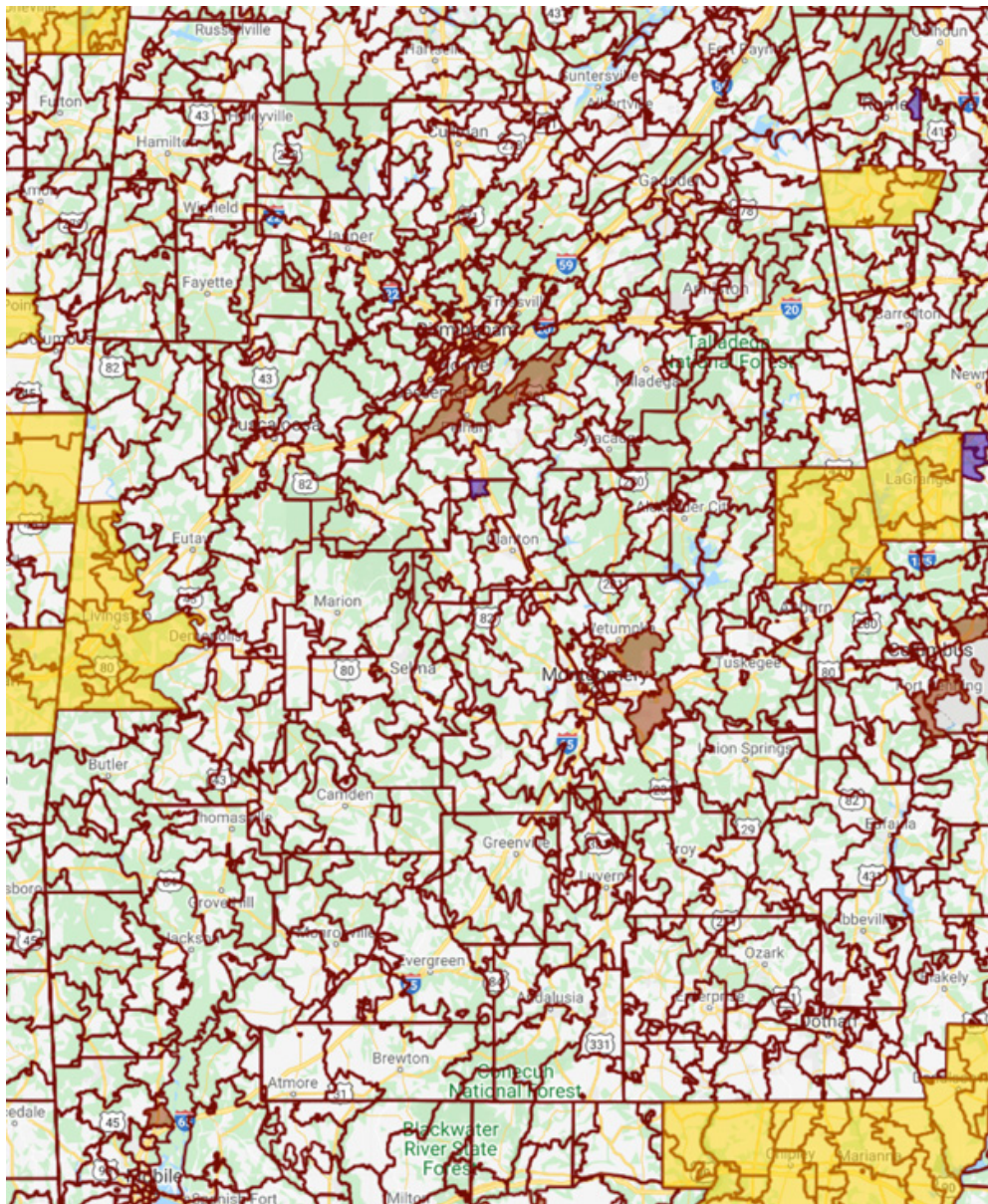
## DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates a large segment of Alabama that is impacted by DDA conditions.

**QCT Legend:**      — Tract Outline      LIHTC Project      2021 Qualified Census Tracts

**SADDA Legend:**      — FMR Boundary      — ZCTA Boundary      2021 Small DDA      Part DDA      Non Metro DDA



**KEY TAKEAWAY:** Several areas of Alabama are considered DDAs, especially around major cities such as Birmingham and Montgomery.

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# DISTRICT OF COLUMBIA

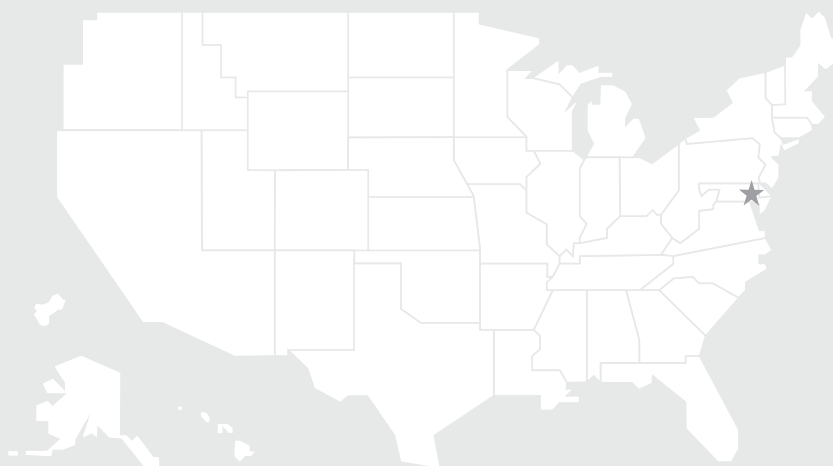
*Justice for All*



CAPITAL: WASHINGTON  
LARGEST CITY: WASHINGTON  
AREA: 68.34 SQ MILES

1790

Coordinates: 38.9072° N 77.0369° W



# DISTRICT OF COLUMBIA

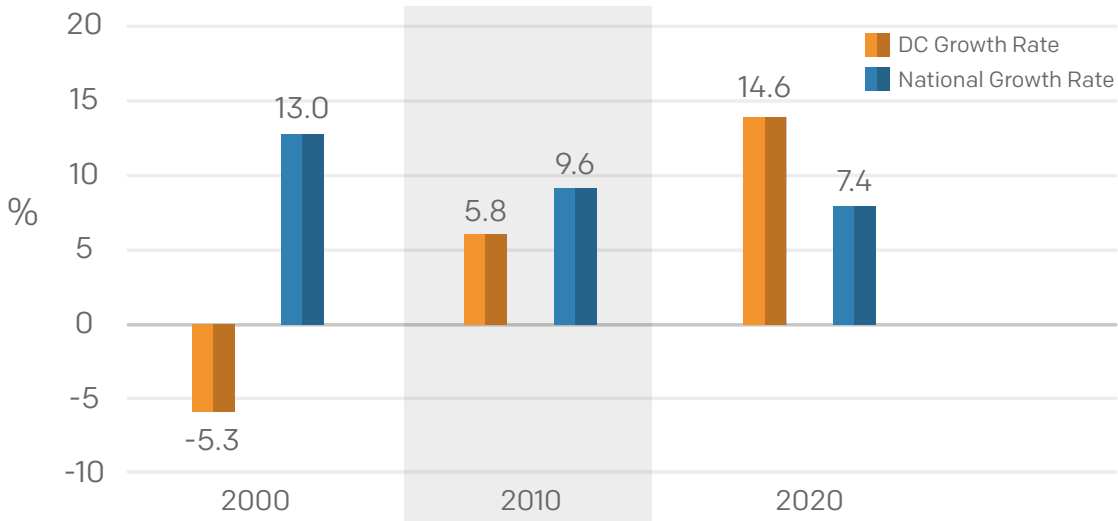
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event | Date | Forum | FHLBank Atlanta Role | Data and Information |
|---------------|------|-------|----------------------|----------------------|
| None          |      |       |                      |                      |

### POPULATION STATISTICS

From 2000 through 2020, DC's population growth rate increased from -5.3 percent to 14.6 percent, showing population growth steadily outpacing the national average. This increase has been most pronounced in the 25-34 year-old age range, which grew 23 percent. In 2020, with a total population of 690,000, DC ranked as the ninth fastest growing area in the country.

#### DISTRICT OF COLUMBIA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

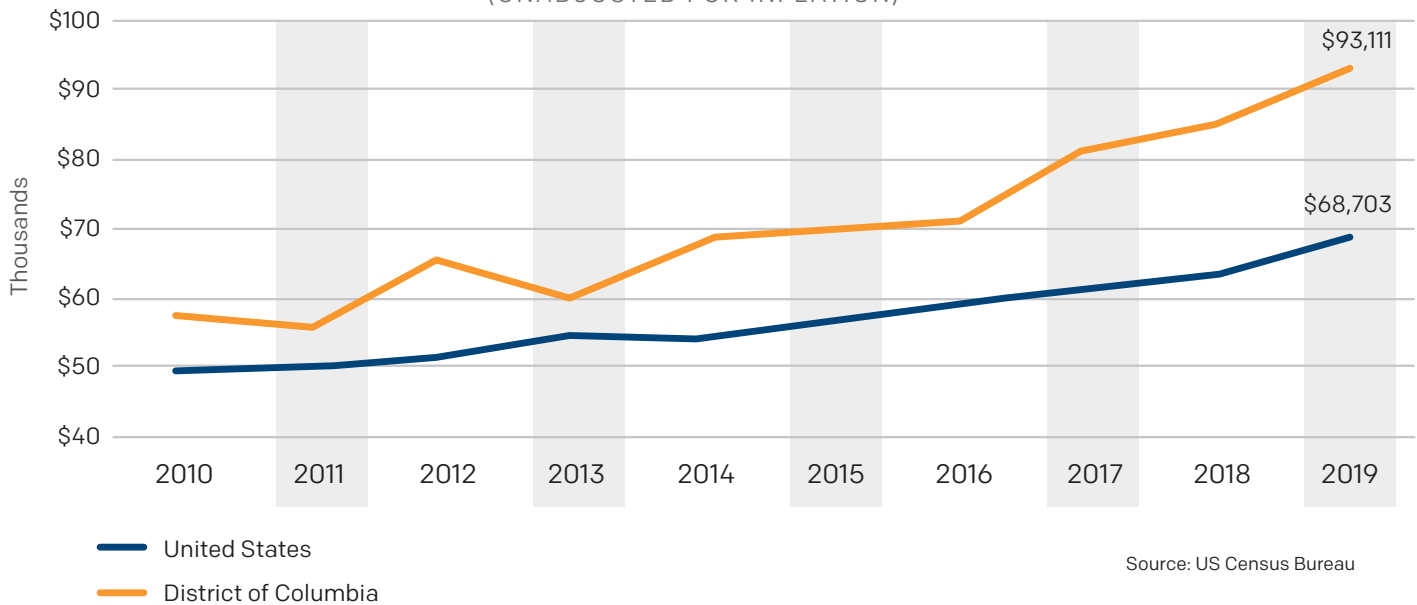


**KEY TAKEAWAY:** Since 2000, DC has reversed its population loss situation and in the most recent year the growth rate was almost double that of the nation as a whole.

### INCOME AND POVERTY STATISTICS

From 2011 to 2019, the median household income for DC grew by 21 percent, marking an increase of over \$10,000 since 2011. The national median income lagged behind, growing by just 17 percent. The growth rate for yearly housing costs in DC also exceeded the national average by the same margin, with DC housing costs increasing by 13 percent since 2011.

## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)

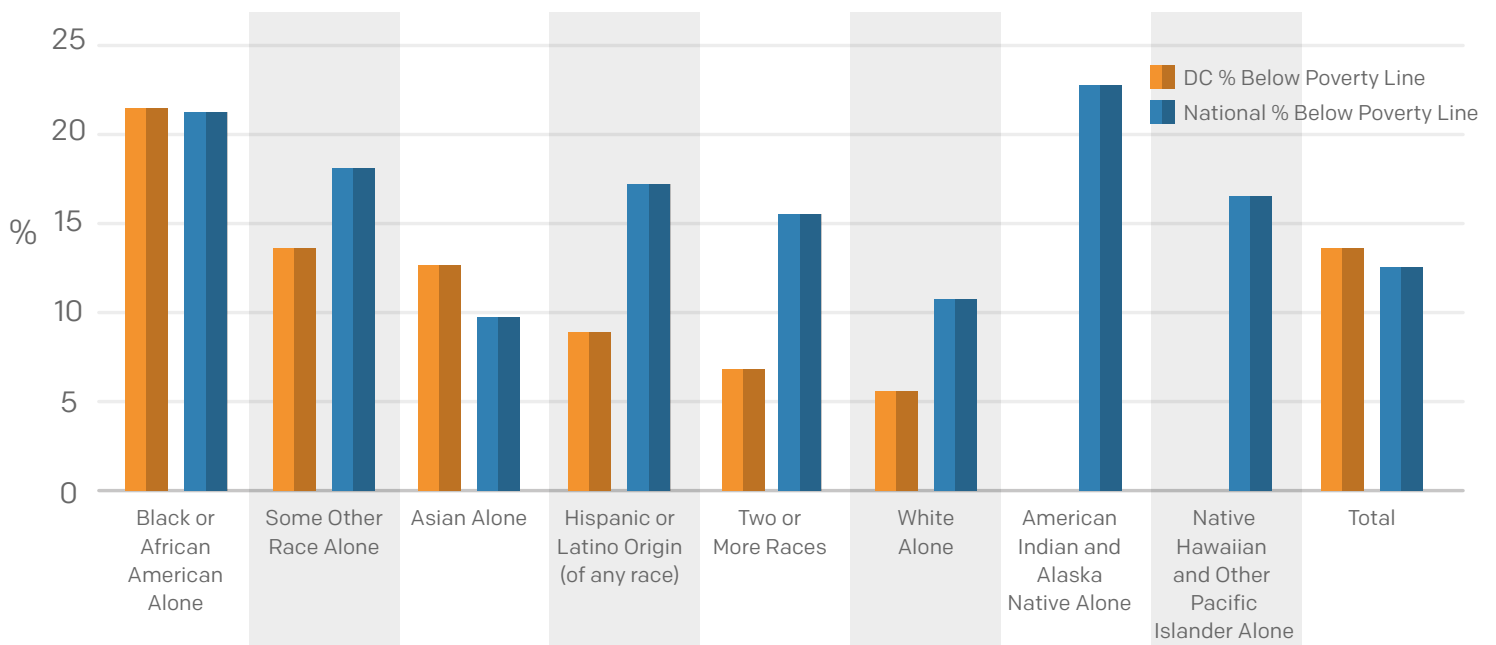


**KEY TAKEAWAY:** The median income for DC in 2019 was \$93,111, which was 35 percent higher than the national median of \$68,703.

In 2019, the federal poverty line ranged from roughly \$12,500 for a person living alone, to over \$25,700 for a family of four. In 2019, an estimated 21.6 percent of Blacks in DC lived in poverty, almost the same as the national average for Blacks, but roughly four times the percentage of whites in DC. The total number of Black residents living in poverty (67,097) was more than the total number of white residents (14,276) living below the poverty line.

## POVERTY BY ETHNICITY

(Source: US Census Bureau 2019)





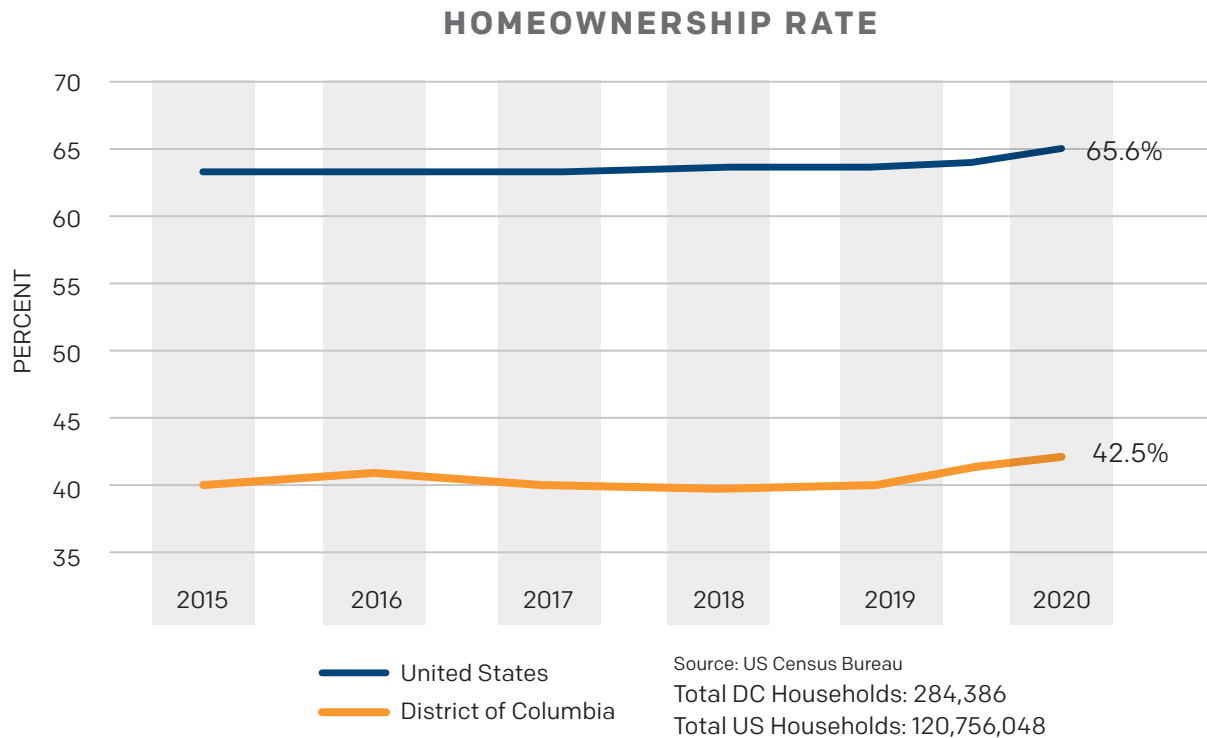
**KEY TAKEAWAY:** In 2019, the proportion of Black residents in DC living below the poverty line (21.6 percent) was much higher than the proportion of white residents (5.1 percent).



**KEY TAKEAWAY:** In 2019, an estimated 13.5 percent of people in DC lived below the federal poverty line. This was slightly above the national average of 12 percent of the population.

## HOUSING STATISTICS

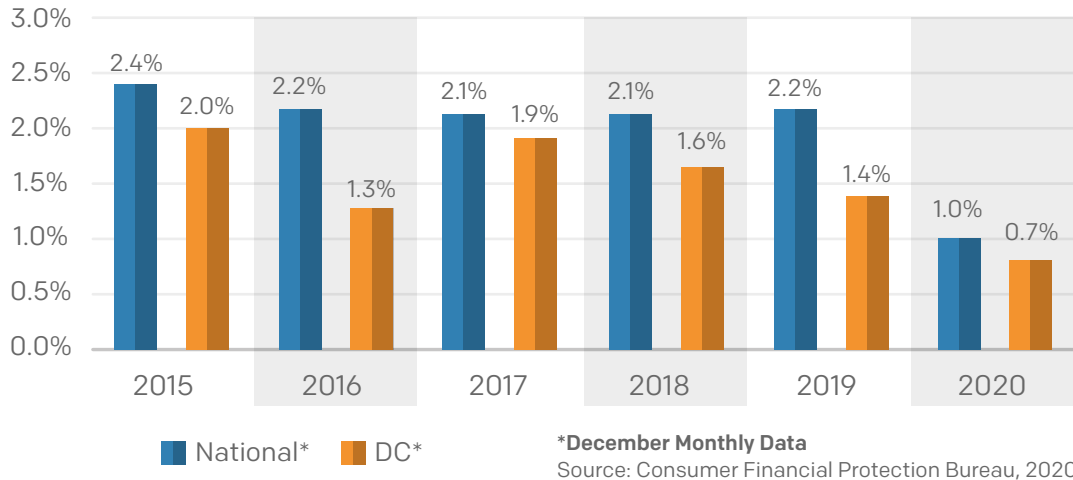
DC has the lowest homeownership rate in the Bank's district, and has a lower homeownership rate than any of the 50 states.



**KEY TAKEAWAY:** The growth rate of homeownership in DC was triple the growth rate nationally over the past year.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.

## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)

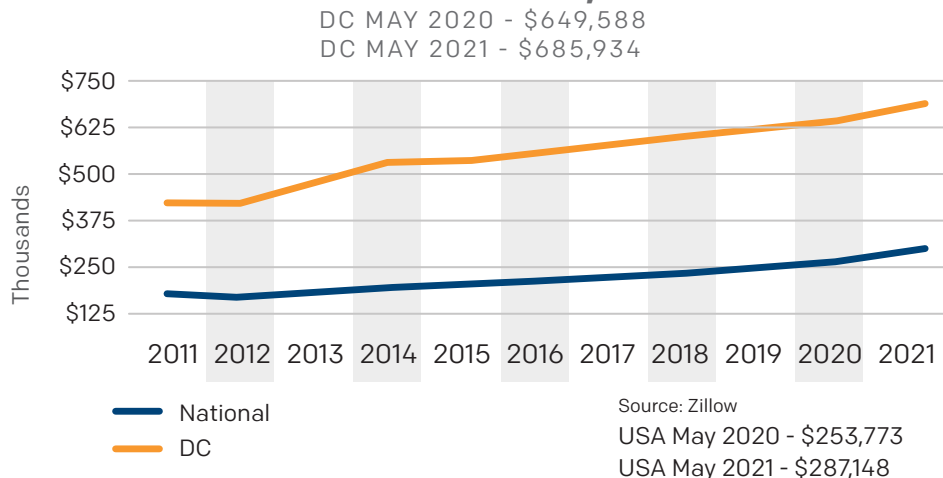


**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower both nationally and in DC as of December 2020 than it had been in prior years, this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, many consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency.

According to data from Zillow, the median home price in DC has steadily increased in recent years. In the current environment, DC and the Southeast region are likely experiencing a COVID-19 related upward pressure on prices as the interest in year-round living and relative affordability is encouraging buyers from northern markets to relocate further south.

## MEDIAN HOME PRICES, 2011-2021



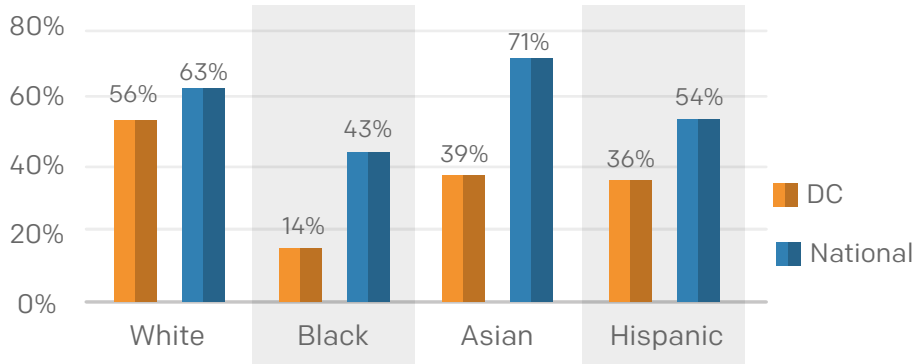
**KEY TAKEAWAY:** Home prices in DC continue to exceed the national average, but did experience similar increases during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.



# SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors 2021)



Total DC Households: White: 138,500, Black: 123,507, Hispanic: 23,853, Asian: 12,064



**KEY TAKEAWAY:** In DC, households of all segments are less able to find an affordable home than in many parts of the country, and the disparity is greatest for Black and Asian households.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in DC.

## FACTS ABOUT DISTRICT OF COLUMBIA:

#4\*

In **District of Columbia**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,707**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$5,690** monthly or **\$68,280** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$32.83**  
PER HOUR  
STATE HOUSING  
WAGE

**88**

Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**77**

Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.2**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**1.9**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

### STATE FACTS

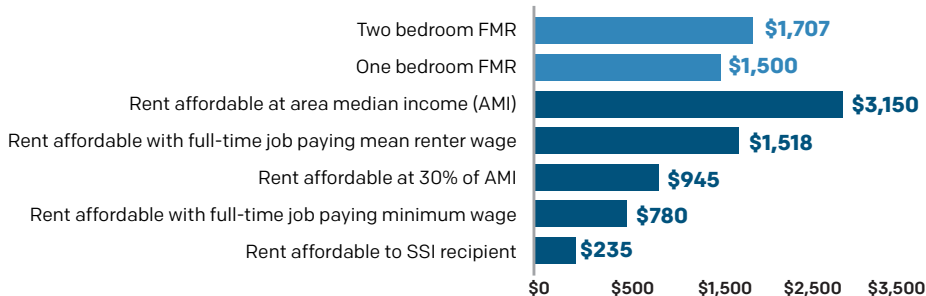
**\$15.00**  
MINIMUM  
WAGE

**\$29.20**  
AVERAGE  
RENTER  
WAGE

**\$32.83**  
2-BEDROOM  
HOUSING  
WAGE

**163,751**  
NUMBER OF  
RENTER  
HOUSEHOLDS

**58%**  
PERCENT  
RENTERS



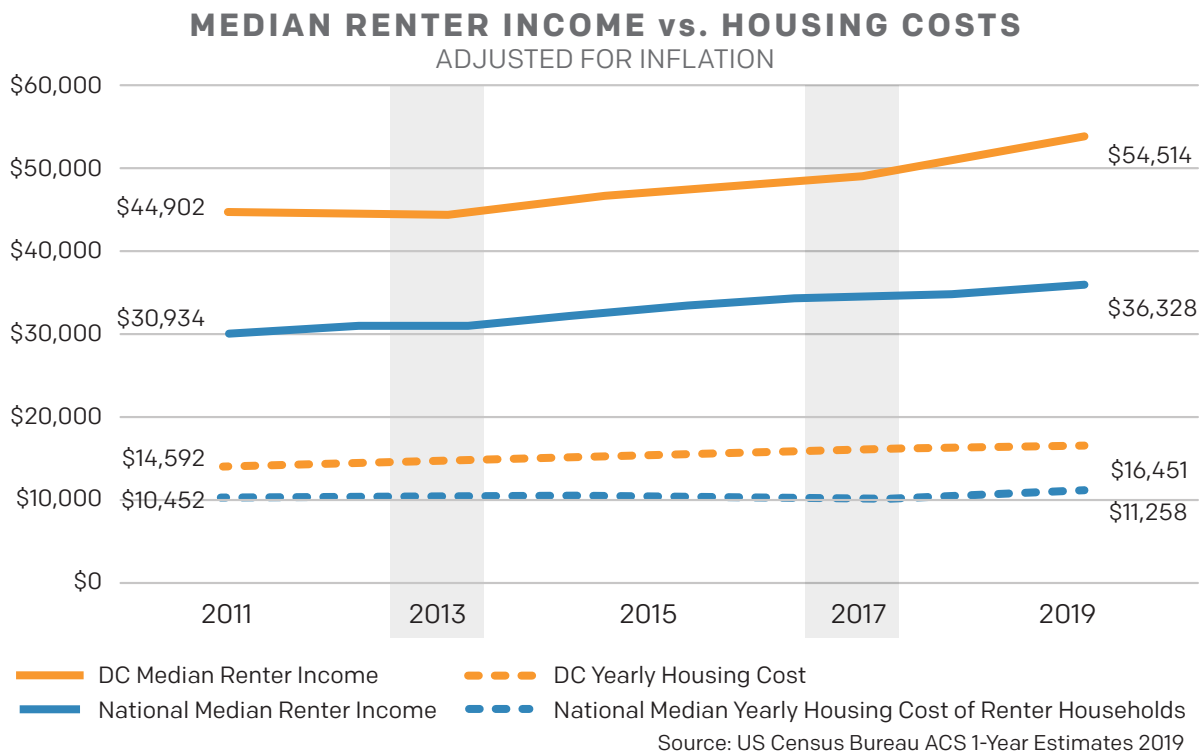
MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

**OUT OF REACH 2020** | National Low Income Housing Coalition

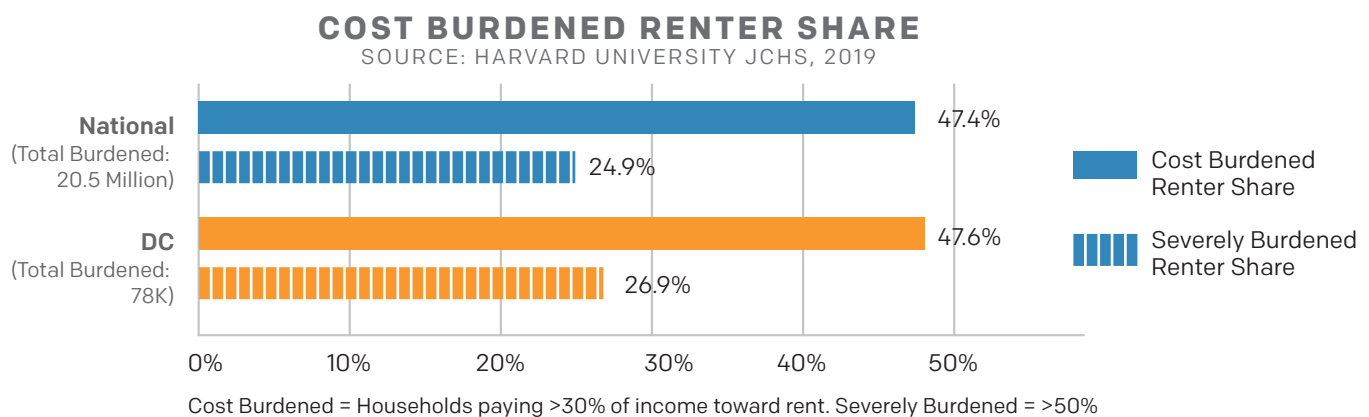
These numbers have not changed from the prior year, and the picture is still one of severe burden for many residents of DC who cannot readily afford housing if they are working for minimum wage, even with two full-time earners contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in DC experienced a growth in income that outpaced the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was 21.4 percent while the growth in rental housing costs was only 12.7 percent over the same period.



**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in DC moved up in 2019 while housing costs remained relatively stable.

In DC, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.



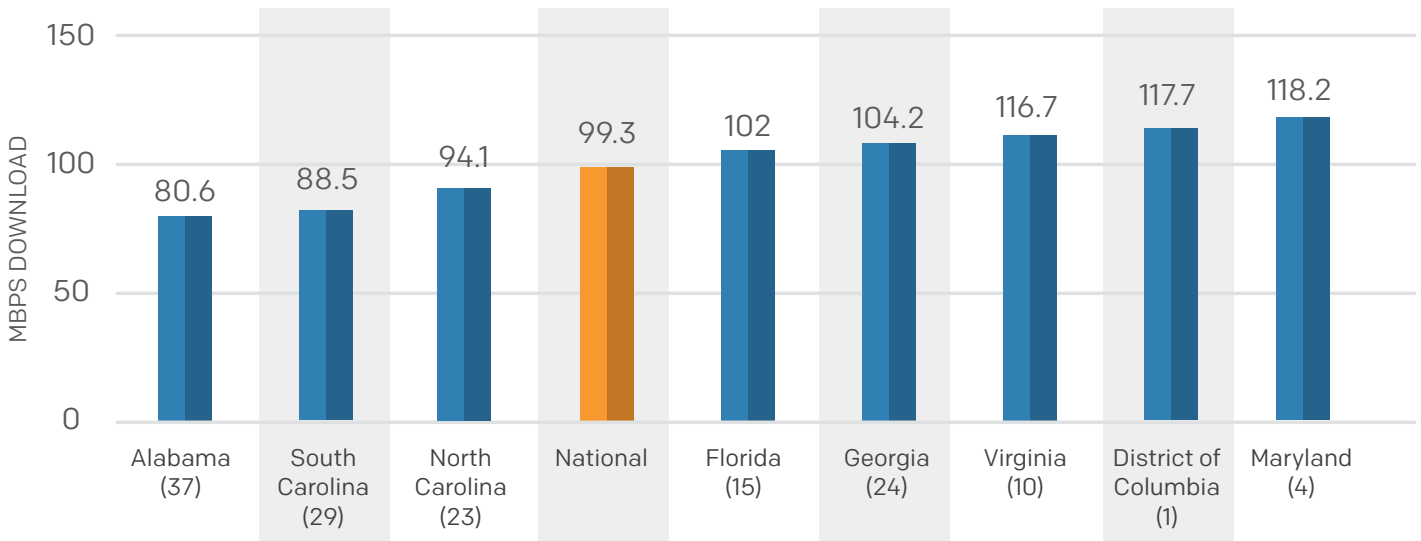
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in DC is consistent with the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, in 2021 DC ranked first in the country in terms of accessibility to broadband technology, and ranked near the middle of each category within the Bank’s district for coverage, access, and speed and performance. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization’s primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** DC now ranks first in the country in terms of broadband speed, a dramatic improvement over the prior year when DC ranked seventh.



## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the Bank’s district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank’s district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### DC, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total DC MDIs                           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 1    | 1    | 1    | 1    | 1    | 1    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 1    | 1    | 1    | 1    | 1    | 1    |
| Hispanic American                       |      |      |      |      |      |      |
| Asian or Pacific Islander American      |      |      |      |      |      |      |
| Native American Alaskan Native American |      |      |      |      |      |      |



**KEY TAKEAWAY:** The number of MDIs within DC has remained constant at one institution since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization   | Category    |
|----|--|-------------|
| 1  | 100 Black Men (National)   | Education   |
| 2  | A. Philip Randolph Institute   | Education   |
| 3  | Banneker Ventures  | Real Estate |
| 4  | Black Women Build  | Real Estate |
| 5  | Congressional Hispanic Caucus Institute (CHCI)                                   | Government  |
| 6  | DC Hispanic Contractors Association  | Builders    |
| 7  | Equity in Architecture   | Builders    |
| 8  | Howard University  | HBCU        |
| 9  | Indian Higher Education Consortium (AIHEC)                                       | Education   |
| 10 | Mexican American Women's National Association (MANA)                             | Education   |
| 11 | Minority Advancement Institute   | Other       |
| 12 | National Alliance of Black School Educators (NABSE)                              | Education   |
| 13 | National Association of Blacks within Government                                 | Government  |
| 14 | National Association of Hispanic Realtor Professional - Corporate                | Real Estate |
| 15 | National Association of Hispanic Realtor Professional - Maryland Greater Capital | Real Estate |
| 16 | National Association of Minority Contractors                                     | Real Estate |
| 17 | National Association of Minority Contractors - National Office                   | Builders    |
| 18 | National Association of Minority Mortgage Brokers of America                     | Real Estate |
| 19 | National Bankers Association   | Banking     |
| 20 | National Bar Association   | Law         |

|    |   |                   |
|----|---|-------------------|
| 21 | National Black Caucus of State Legislators                              | Government        |
| 22 | National Council of Negro Women, Inc.                                   | Business          |
| 23 | National Fair Housing Alliance  | Community Service |
| 24 | National Hispanic Construction Association                              | Builders          |
| 25 | National Urban League   | Community Service |
| 26 | The Center for Diversity and Inclusion (CDI)                            | Education         |
| 27 | The Community Builders, Inc.  | Real Estate       |
| 28 | The Natl. Assoc. of Negro Business and Professional Women's Clubs, Inc. | Business          |
| 29 | Urban Financial Services Coalition                                      | Banking           |



**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt, there are properties that have limited financial use due to the title being clouded in some way. Frequently this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair. Based on the information gathered by the Federal Reserve Bank of Atlanta and the United States Department of Agriculture, there is a significant amount of property around the country that is impacted by the heirs' property title issue. While there is not any current data specific to the impacted property within the limits of the District of Columbia, it is logical that the issue exists in this geographic region as it does in surrounding areas where there is a low income community with limited resources available to obtain legal expertise.

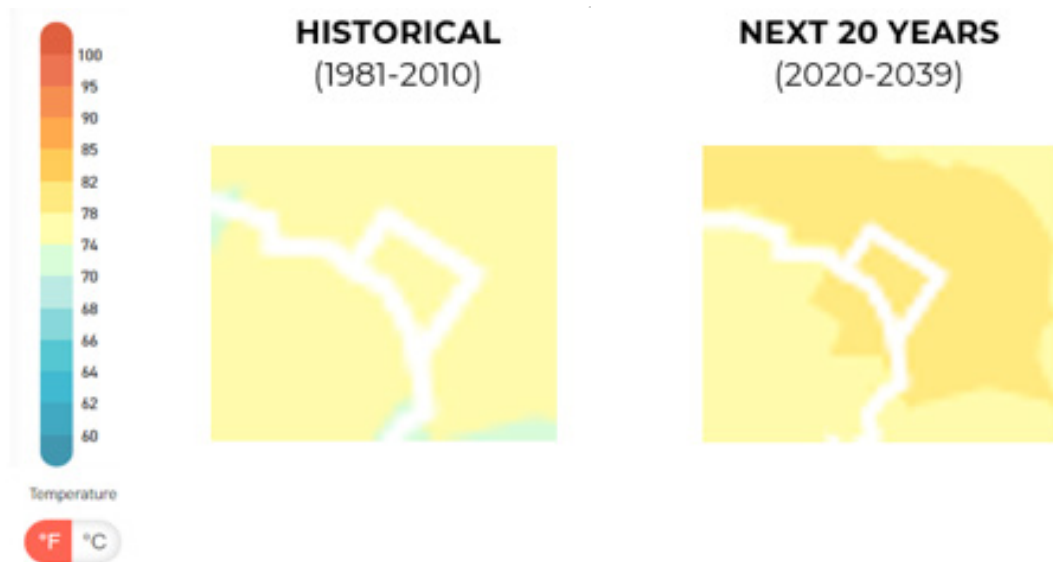
## CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

DC has seen average temperatures rise by more than two degrees over the last century, with five of the six hottest months on record having occurred since 2010. Shifts in rainfall patterns in the area have resulted in rainstorms that are heavier, causing the Potomac River to rise about one inch every eight years. Annual precipitation has increased during the last century by five to 10 percent in DC, which may lead to increased flooding and higher risk of sewer overflows, which is a health concern. According to a report by the EPA, infrastructure such as the sewer system is inadequate, having been designed before 1900. Heavy rainfall has caused the system to fail and discharge raw sewage in to the Potomac River or other nearby waterways.

Severe rainstorms have become more common across the eastern U.S. since 1958. In DC, homes along the north side of Watts Branch, a tributary of the Anacostia River, as well as land in an area of DC known as the Federal Triangle, are low lying and at risk of flooding from either heavy rainfall or rising Potomac River levels. A flood in 2006 in this area caused \$10 million in damage.

Rising sea levels are already impacting the river front parks in Washington. Sidewalks along the Tidal Basin area are roughly one foot above the average daily high tide. While in 1950 that only resulted in flooding six times per year, now the area floods on average 30 times per year. With a sea level rise of one foot the floods will occur during half the days of the year.

## HISTORICAL AND PROJECTED TEMPERATURES FOR THE DISTRICT OF COLUMBIA



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery contribute to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.



**KEY TAKEAWAY:** Residents of DC may experience increased expenses related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.



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# FLORIDA



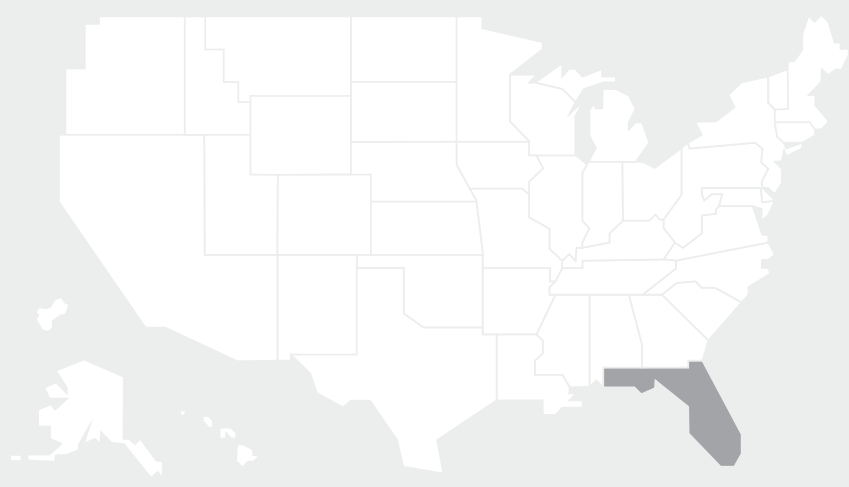
*The Sunshine State*

CAPITAL: TALLAHASSEE  
LARGEST CITY: JACKSONVILLE  
AREA: 65,757.70 SQ MILES

27

1845

Latitude: 24° 27' N to 31° 00' N  
Longitude: 80° 02' W to 87° 38' W



# FLORIDA

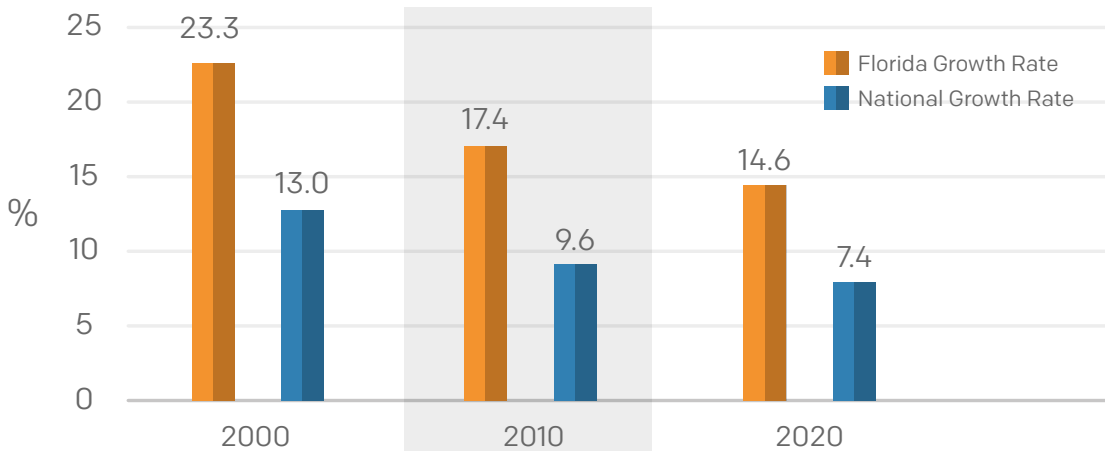
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event | Date | Forum | FHLBank Atlanta Role | Data and Information |
|---------------|------|-------|----------------------|----------------------|
| None          |      |       |                      |                      |

### POPULATION STATISTICS

From 2000 through 2020, Florida's population growth rate declined from 23.3 percent to 14.6 percent. Florida's highest population growth occurred in Sumter, Osceola, and St. Johns counties, with growth rates of about 30 percent each. In addition, Florida's urban and metro counties, such as Hillsborough and Orange counties, have seen higher population growth than the rest of the state. Thirteen out of 67 counties experienced a decline in population, with seven of those 13 having less than 20,000 residents, and 11 of them having fewer than 50,000 residents, such as Lafayette and Calhoun counties, which had population declines of more than 10 percent. Counties experiencing population decline were mostly in rural areas of the state. In 2020, with a total population of roughly 21.5 million, Florida ranked third in the U.S. in size, while its population growth rate ranked seventh.

#### FLORIDA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

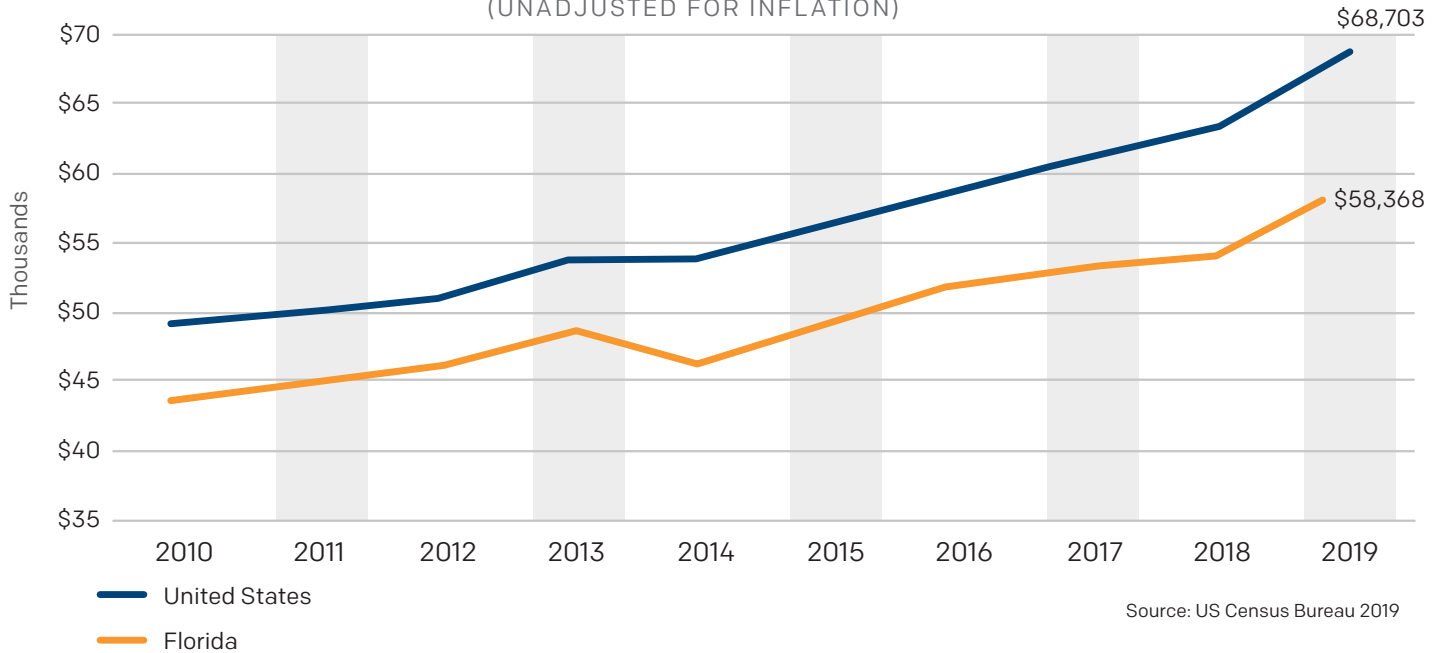


**KEY TAKEAWAY:** In 2020, the population growth rate of Florida declined, as did the rate nationally.

### INCOME AND POVERTY STATISTICS

In 2019, the median household income for Florida was over \$58,000, marking an increase of more than \$14,000 since 2010. However, median household income in the United States grew at a faster rate over the same period, rising from roughly \$50,000 in 2010 to around \$69,000 in 2019. Between 2018 and 2019 (the most recent fiscal year-end data available), all but two of the 67 counties in Florida saw some level of increase in median income. Franklin and Hendry counties showed only minor declines in median income over the year, of less than one percent and 2.6 percent respectively.

## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)

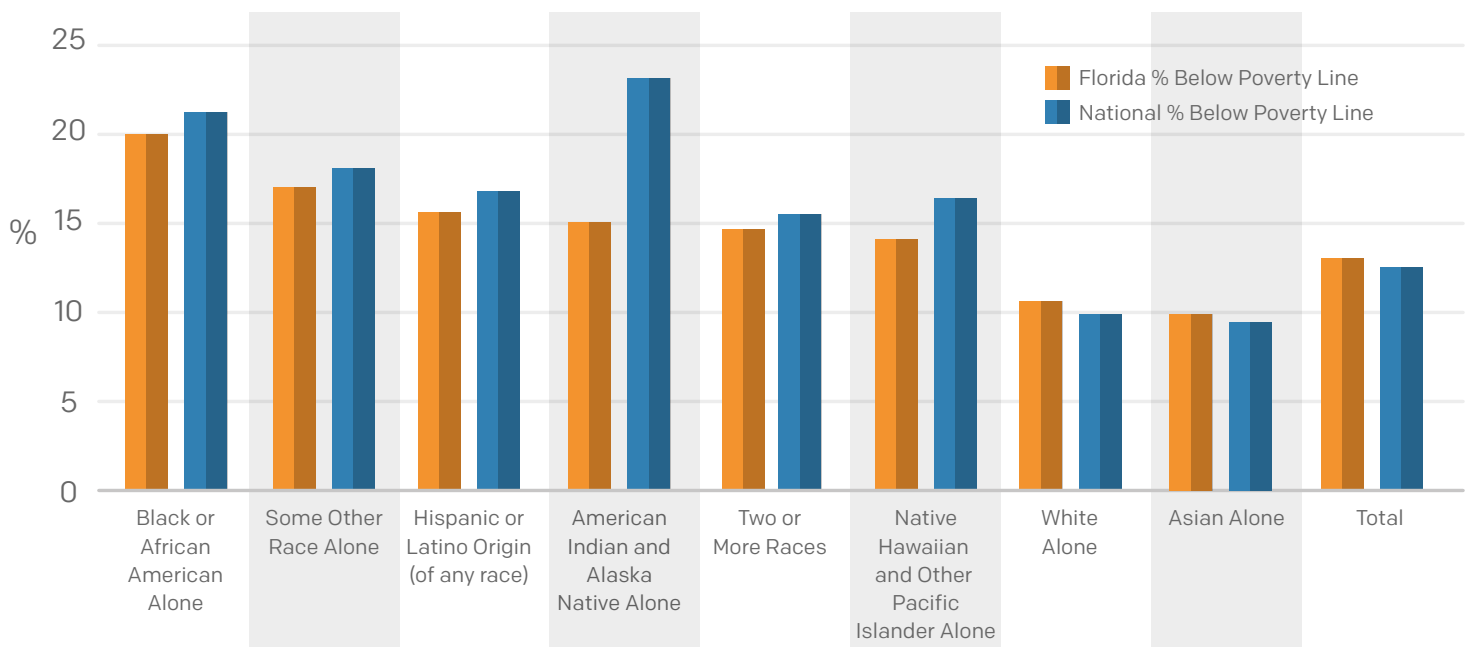


**KEY TAKEAWAY:** The median household income for the state of Florida in 2019 was \$58,368, which was 15 percent lower than the national median of \$68,703.

The total number of white residents living below the poverty line in Florida (1,722,533) was more than the total number of Black residents living below the poverty line (658,052), but the likelihood of living in poverty is higher for non-white residents.

## POVERTY BY ETHNICITY

(Source: US Census Bureau 2019)





**KEY TAKEAWAY:** In 2019, Black Floridians were almost twice as likely to live in poverty than white residents (19.8 percent vs. 10.9 percent)

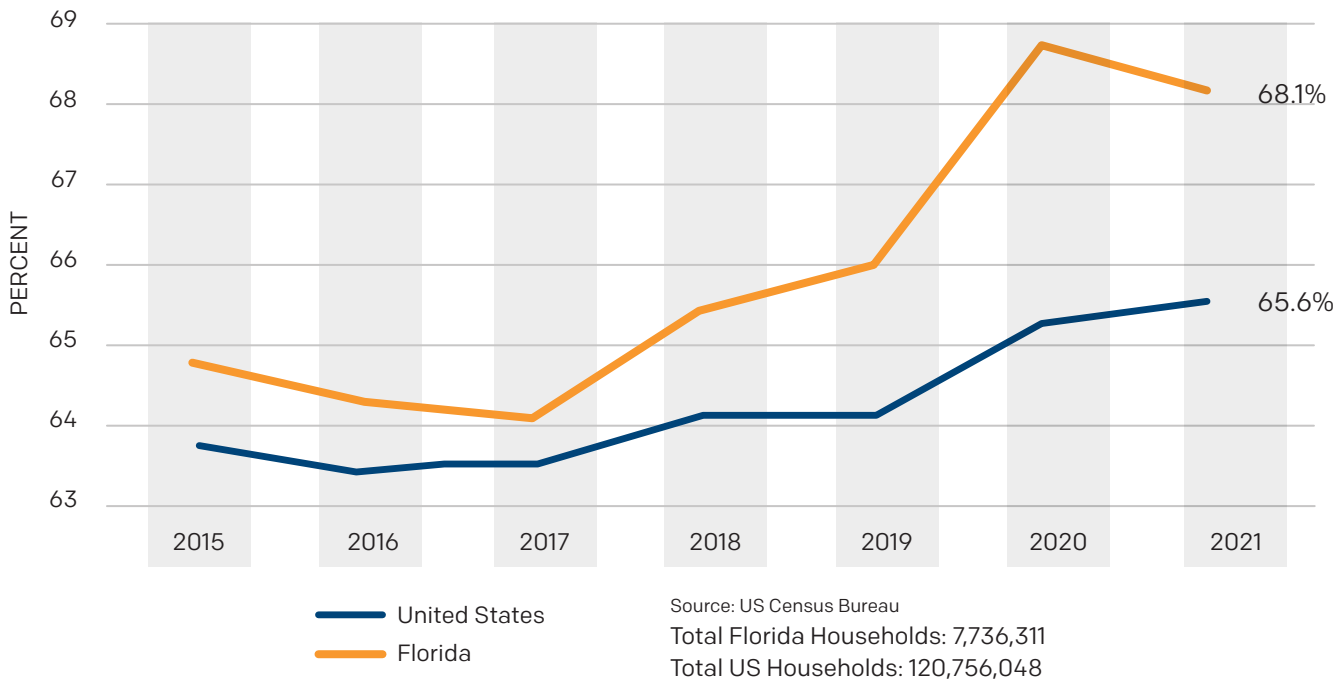


**KEY TAKEAWAY:** In 2019, an estimated 12.7 percent of Floridians lived below the federal poverty line. Minorities other than Asians had the highest rates of poverty, although all rates of poverty were below the national averages except for white and Asian residents.

## HOUSING STATISTICS

Florida ranks 27th in the nation for homeownership and is at the midpoint among states in the Bank's district.

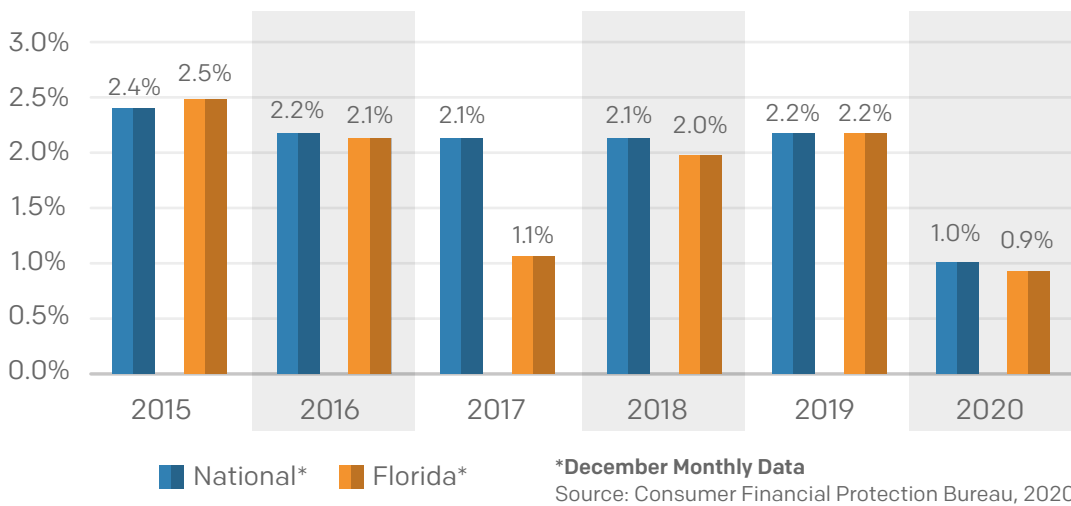
### HOMEOWNERSHIP RATE



**KEY TAKEAWAY:** The homeownership rate in Florida has remained consistently higher than the national average over the past several years, currently standing at roughly 68.1 percent, while the national average stands just above 65 percent. The growth rate of homeownership in Florida has slightly declined over the past year, when it peaked at 68.7 percent in 2020.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.

## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



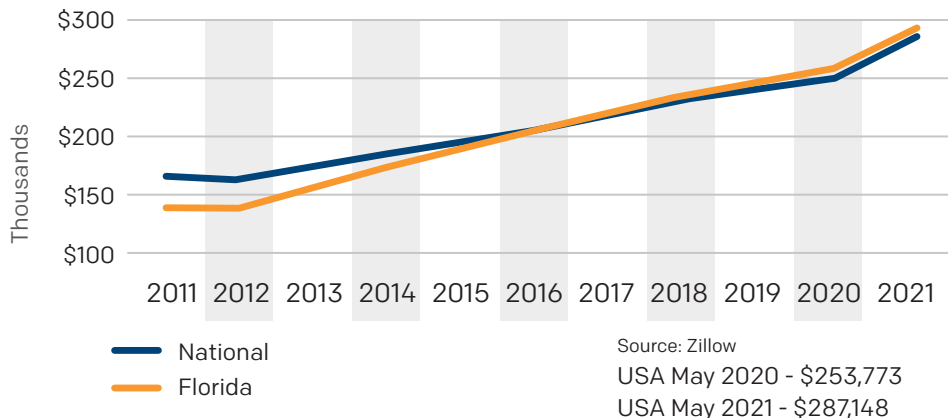
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower both nationally and in Florida as of December 2020 than it had been in prior years, this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, some consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency. In fact, in an April report on first quarter 2021 foreclosure activity by ATTOM Data Solutions, Jacksonville ranked 12th on a list of major metro areas with the highest foreclosure rates. In March 2021, Florida reported a foreclosure rate of one in every 6,763 housing units, which ranked it fifth in the country for the highest statewide rates, and highest for the states in the Bank's district.

According to data from Zillow, the median home price in Florida has steadily increased in recent years, but has been in line with national increases. In fact, the median home price in Florida for the past five years has been almost identical to the median home price nationally. The difference has been as low as \$970 and no more than \$3,280 between the national median and the state median since 2016.

## MEDIAN HOME PRICES, 2011-2021

FLORIDA MAY 2020 - \$257,053  
FLORIDA MAY 2021 - \$289,799

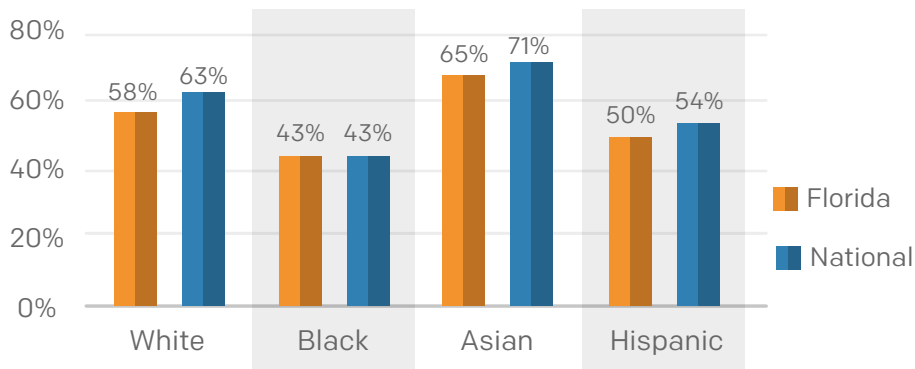


**KEY TAKEAWAY:** Home prices in Florida track closely with the national average in recent years and experienced a similar increase during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

## SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors 2021)



Total Florida Households: White: 6,249,566, Black: 1,097,444, Asian: 187,452, Hispanic: 172,604



**KEY TAKEAWAY:** In Florida, households are slightly less able to find an affordable home than in many other parts of the country, with the exception being households who face the same level of challenge in Florida as they do nationally.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in Florida.

### FACTS ABOUT FLORIDA:

#12\*

In **Florida**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,270**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$4,234** monthly or **\$50,807** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$24.43**  
PER HOUR  
STATE HOUSING  
WAGE

**114**

Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**92**

Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.9**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**2.3**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

#### STATE FACTS

**\$8.56**  
MINIMUM  
WAGE

**\$17.28**  
AVERAGE  
RENTER  
WAGE

**\$24.43**  
2-BEDROOM  
HOUSING  
WAGE

**2,667,159**  
NUMBER OF  
RENTER  
HOUSEHOLDS

**35%**  
PERCENT  
RENTERS

#### MOST EXPENSIVE AREAS

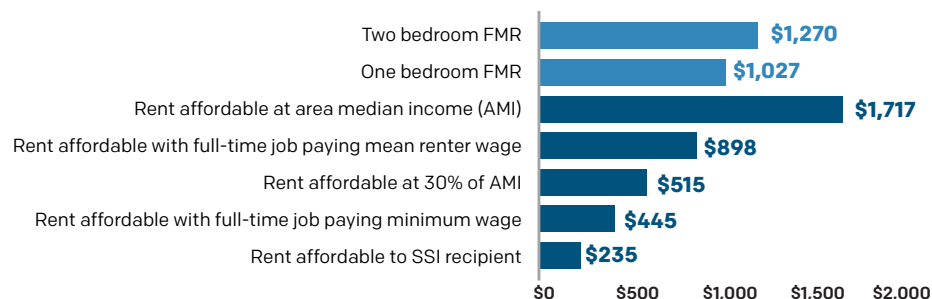
**\$33.23**  
MONROE  
COUNTY

**\$31.25**  
MIAMI-MIAMI BEACH  
KENDALL HMFA

**\$29.38**  
FORT LAUDERDALE  
HMFA

**\$28.96**  
WEST PALM BEACH  
BOCA RATON HMFA

**\$26.56**  
NAPLES-IMMOKALEE  
MACRO ISLAND MSA



MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

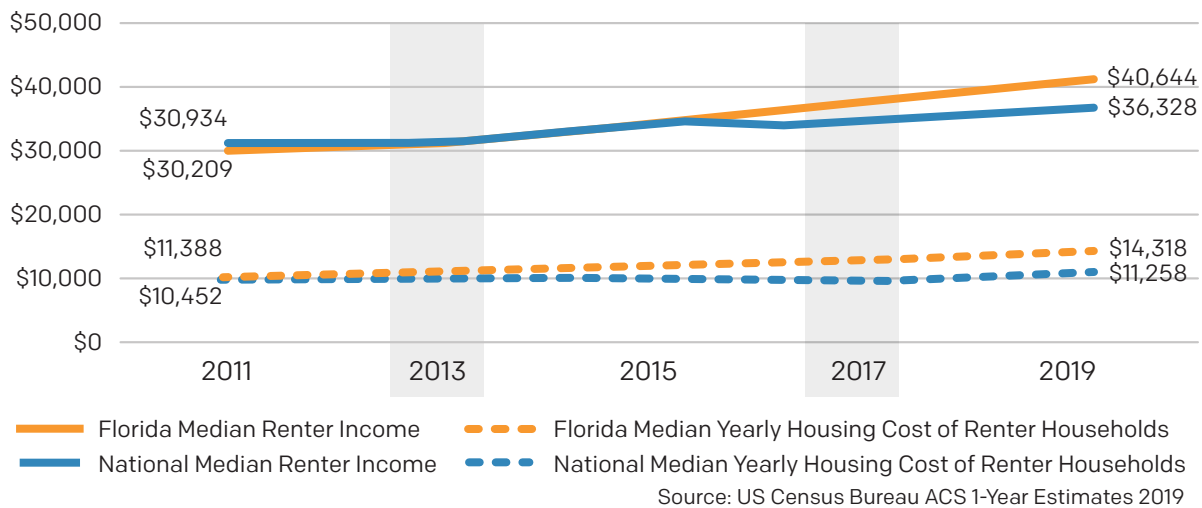
\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

OUT OF REACH 2020 | National Low Income Housing Coalition

These numbers have not changed from the prior year, and the picture is still one of severe burden for many Florida residents who cannot afford housing if they are working for minimum wage, even with more than two full-time earners contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in Florida experienced a growth in income that exceeded the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was 34.5 percent while the growth in rental housing costs was only 25.7 percent over the same period. Nationally, both rental housing costs and median incomes saw increases, but over the same time period Florida experienced a higher rate of growth in rental housing costs than the national average of eight percent, as well as higher growth in median incomes than the national average of 17 percent.

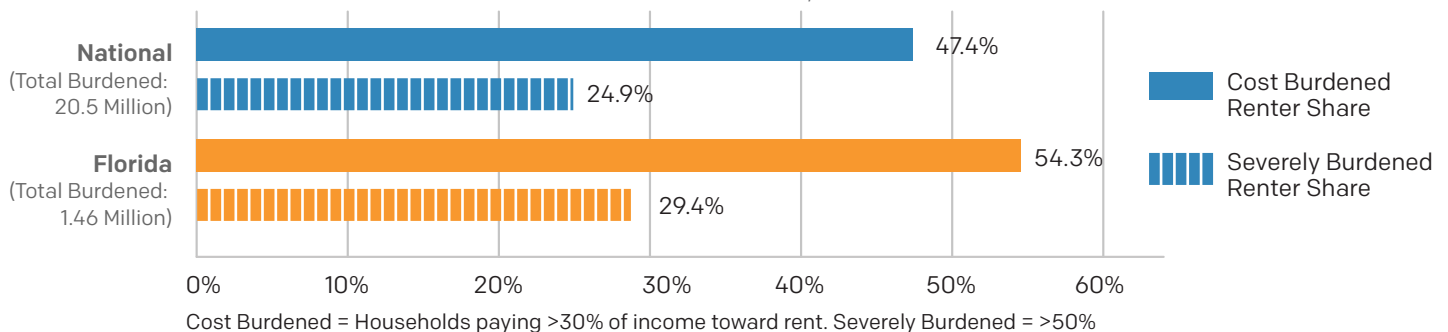
### MEDIAN RENTER INCOME vs. HOUSING COSTS ADJUSTED FOR INFLATION



**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in Florida moved up modestly in 2019 while housing costs also slightly increased.

Across Florida, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

### COST BURDENED RENTER SHARE SOURCE: HARVARD UNIVERSITY JCHS, 2019



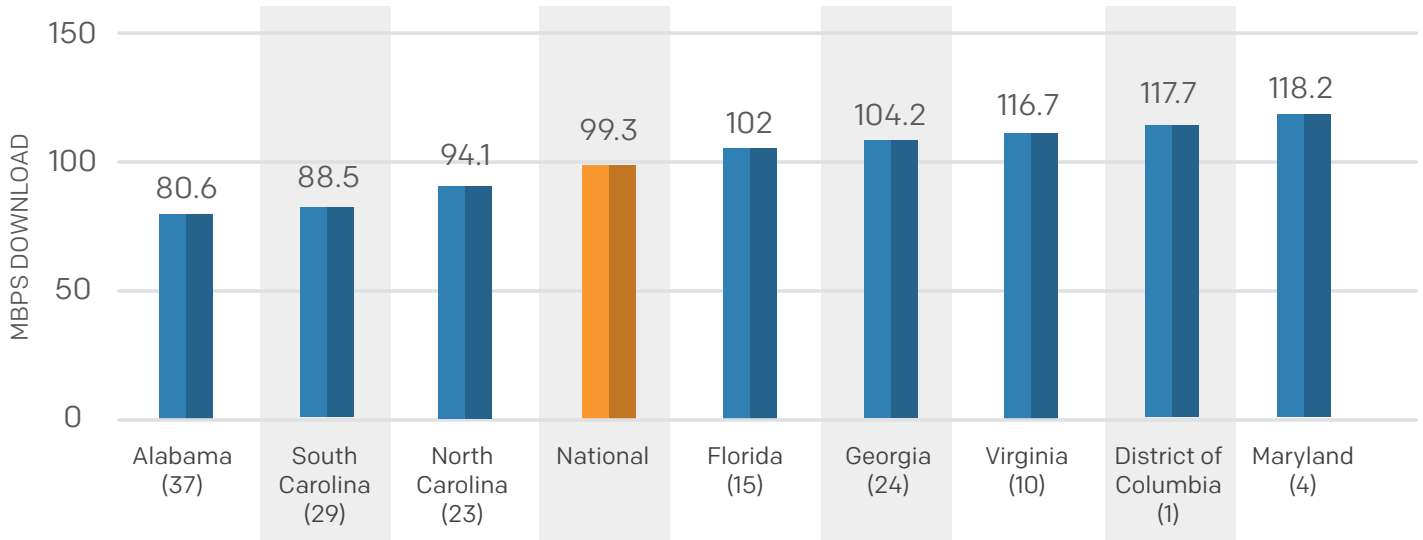
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in Florida is even worse than the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare Internet service providers, Florida ranked fifteenth in the country in terms of accessibility to broadband technology in 2021, and also has done well with 102 MBPS download speed as of 2021, which is the midpoint of states in the Bank's district and slightly above the national average of 99.3 MBPS. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization's primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** Florida has higher broadband speeds and ranks well compared to other parts of the country.





## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the Bank’s district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank’s district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### FLORIDA, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total Florida MDIs                      | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 13   | 13   | 13   | 11   | 10   | 9    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 0    | 0    | 0    | 0    | 0    | 0    |
| Hispanic American                       | 12   | 12   | 12   | 10   | 9    | 8    |
| Asian or Pacific Islander American      | 1    | 1    | 1    | 1    | 1    | 1    |
| Native American Alaskan Native American | 0    | 0    | 0    | 0    | 0    | 0    |



**KEY TAKEAWAY:** The number of MDIs within Florida has declined to nine institutions since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization   | Category    |
|----|--|-------------|
| 1  | African American Chamber of Commerce of Central Florida              | Business    |
| 2  | African American Entrepreneurs Association, Inc.                     | Business    |
| 3  | Bethune Cookman University- Daytona Beach                            | HBCU        |
| 4  | Edward Waters College- Jacksonville                                  | HBCU        |
| 5  | Florida A&M University- Tallahassee                                  | HBCU        |
| 6  | Florida Diversity Council  | Education   |
| 7  | Florida Hispanic Construction Association                            | Builders    |
| 8  | Florida Memorial University- Miami Gardens                           | HBCU        |
| 9  | Florida Minority Community Reinvestment Coalition                    | Banking     |
| 10 | Florida State Minority Supplier Development Council                  | Builders    |
| 11 | Grand Avenue Econ. Community Dev Corp                                | Real Estate |
| 12 | Hannibal Square Community Land Trust                                 | Real Estate |
| 13 | Hispanic Bar Association of Central Florida                          | Law         |
| 14 | Hispanic Federation  | Business    |
| 15 | National Association of Black Hotel Owners, Operators and Developers | Real Estate |
| 16 | National Association of Minority Contractors - Greater Atlanta       | Builders    |
| 17 | National Association of Minority Contractors - Central Florida       | Builders    |
| 18 | National Association of Minority Contractors - Northeast Florida     | Builders    |
| 19 | Pinellas County Urban League   | Real Estate |
| 20 | Propsera (Hispanic Business Initiative Fund)                         | Banking     |
| 21 | Prospanica   | Banking     |
| 22 | South Florida Hispanic Chamber of Commerce                           | Business    |
| 23 | Tampa Bay Black Business Investment Corp                             | Business    |

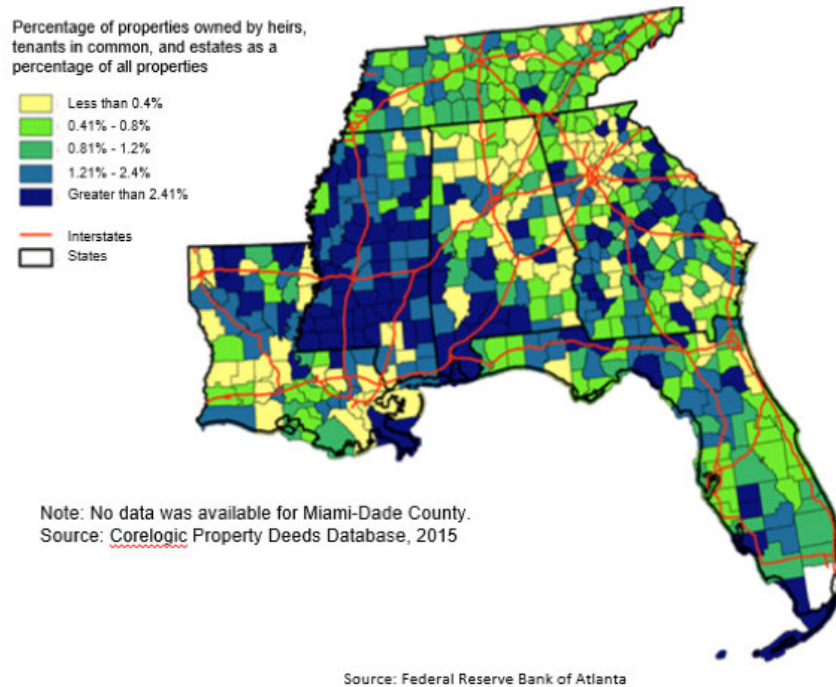


**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt that includes Florida, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair. Based on the information gathered by the Federal Reserve Bank of Atlanta and graphically depicted below, there is a significant amount of property in Florida that is impacted by the heirs' property title issue.

### Percentage of Residential Heirs' Properties by County in the Southeast



**KEY TAKEAWAY:** Florida has a significant proportion of properties with tangled titles that deter wealth generation for impacted families.

In 2018, the Florida Bar Journal published an article titled "The Disproportionate Impact of Heirs Property in Florida's Low-Income Communities of Color." The article focuses on heirs' property data in Alachua County, a primarily rural/agricultural county located in the center of the state and also the location of Gainesville and the University of Florida. The authors identified 1,610 heirs' properties in the county, equivalent to 2.62 percent of all parcels. This figure is significant in that a compilation done by the Federal Reserve Bank of Atlanta designated counties with over 2.41 percent of heirs' property as being in the highest risk category.

Within the city limits of Gainesville, which had a population as of the study data in 2016 of 131,591, there were 833 parcels that were identified as heirs' property. The communities within Gainesville that had the highest concentrations of these parcels included several historical working-class, predominately Black neighborhoods located close to downtown Gainesville on the east side of town.

## CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

Temperatures in Florida have always been warmer than most of the country, but they have warmed more than one degree during the last century. According to a 2016 report by the Environmental Protection Agency, rising temperatures are likely to increase the number of unpleasantly hot days in Florida in the coming decades, while heavy rainstorms are expected to become more severe. Over the long term, these changes in climate could negatively impact the agriculture industry as well as fisheries along the Gulf Coast. Employment related to those industries could also be impacted and the economies of local communities could suffer if production declines as the result of droughts, storms, and temperate change.

At the same time, sea levels are rising about one inch every decade, and the land surface along both the Atlantic and Gulf Coasts of Florida is retreating. This will lead to submerging of wetlands and dry land, as well as beach erosion and an increase in coastal flooding. Coastal cities all around Florida may need to take adaptive measures to maintain property, such as building larger seawalls, elevating structures, and investing in beach nourishing projects to maintain coastlines. Rising sea water is already impacting drinking water availability in coastal areas of Florida, as salt water penetrates aquifers and makes drinking water less available. Penetration of sea water into inland waterways also has a negative impact on wildlife, and mangroves and swamps that play a role in flood control could deteriorate as they are not able to tolerate increased levels of salinity. Reduced amounts of fresh water will increase expenses for the agriculture industry which depends on irrigation for crop production and support of livestock around the state.

The impact from tropical storms and hurricanes has become more destructive in Florida during the last several decades, as rising seawater temperatures provide more energy to incoming storms. Cities, roads, ports, and water supplies are all vulnerable to the impact of both the storm activity and the sea level rise. Storm damage and flooding of coastal homes and infrastructure will lead to rising insurance costs for all homeowners, impacting inland housing as well as housing in coastal communities. Additionally, warming sea water and rising sea levels could damage marine ecosystems, fisheries, and the tourism industry, which could impact average incomes for residents whose livelihood is tied to these industries.

## HISTORICAL AND PROJECTED TEMPERATURES FOR FLORIDA



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery are a contributor to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.



**KEY TAKEAWAY:** Florida residents may experience increased expenses and declines in median income related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.

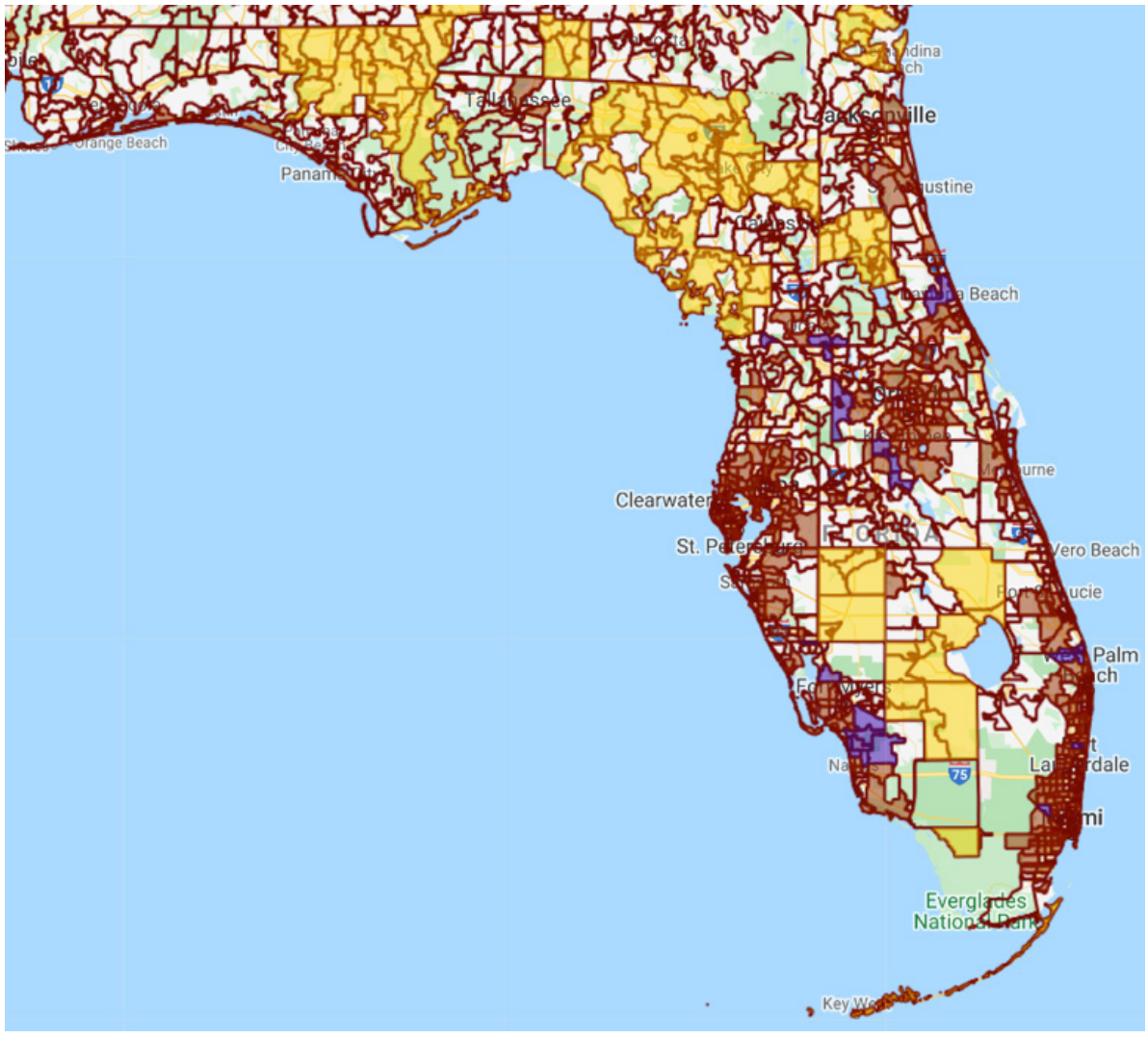
### DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates a large segment of Florida that is impacted by DDA conditions.

**QCT Legend:**      — Tract Outline      LIHTC Project      2021 Qualified Census Tracts

**SADDA Legend:**      — FMR Boundary      — ZCTA Boundary      2021 Small DDA      Part DDA      Non Metro DDA



**KEY TAKEAWAY:** Many areas within Florida are considered DDAs, representing a large portion of the geography in urban markets.

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### STATE-LEVEL SOURCES (FLORIDA)

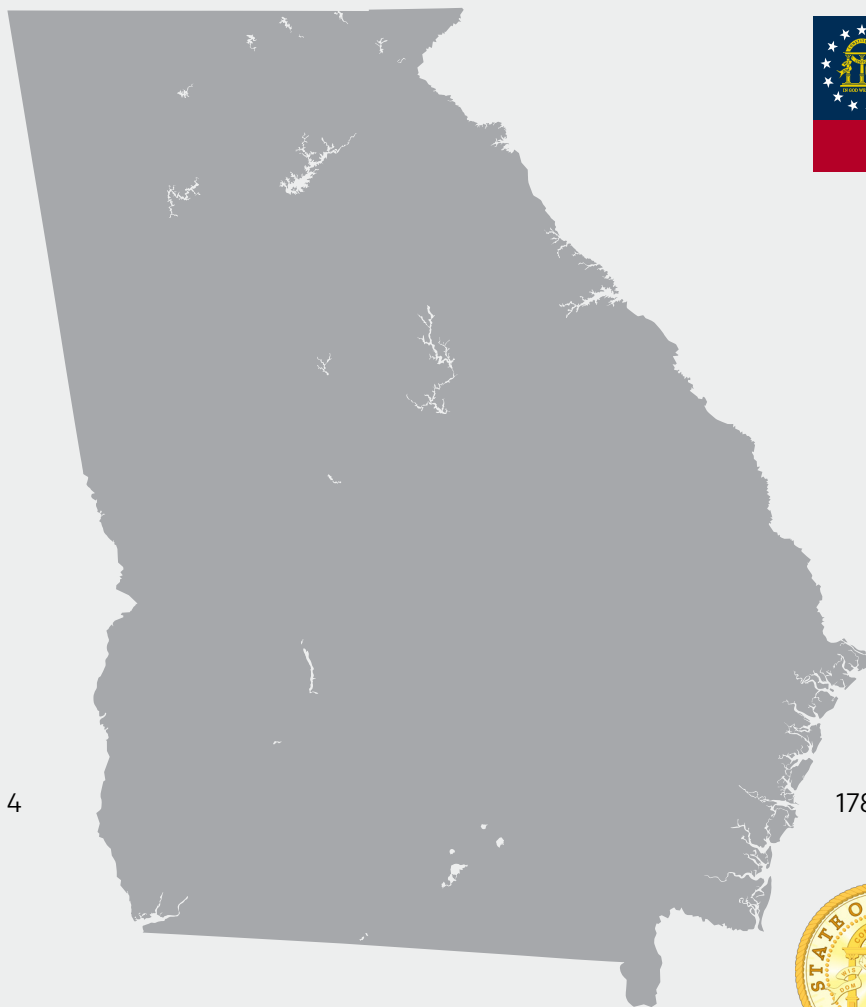
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2. World Population Review, "Population of Counties in Florida (2021)," <https://worldpopulationreview.com/us-counties/states/fl>

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# GEORGIA

*Empire State of the South*



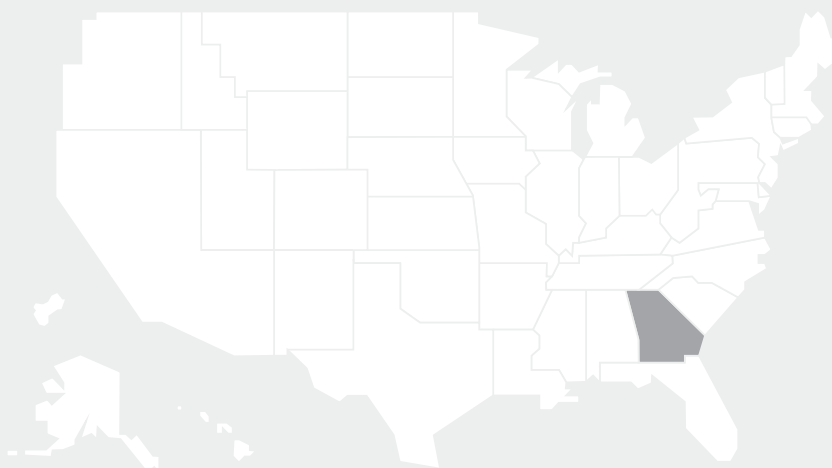
CAPITAL: ATLANTA  
LARGEST CITY: ATLANTA  
AREA: 59,425 SQ MILES

4

1788



Latitude: 30° 11' N to 35° N  
Longitude: 84° 53' W to 88° 28' W



# GEORGIA

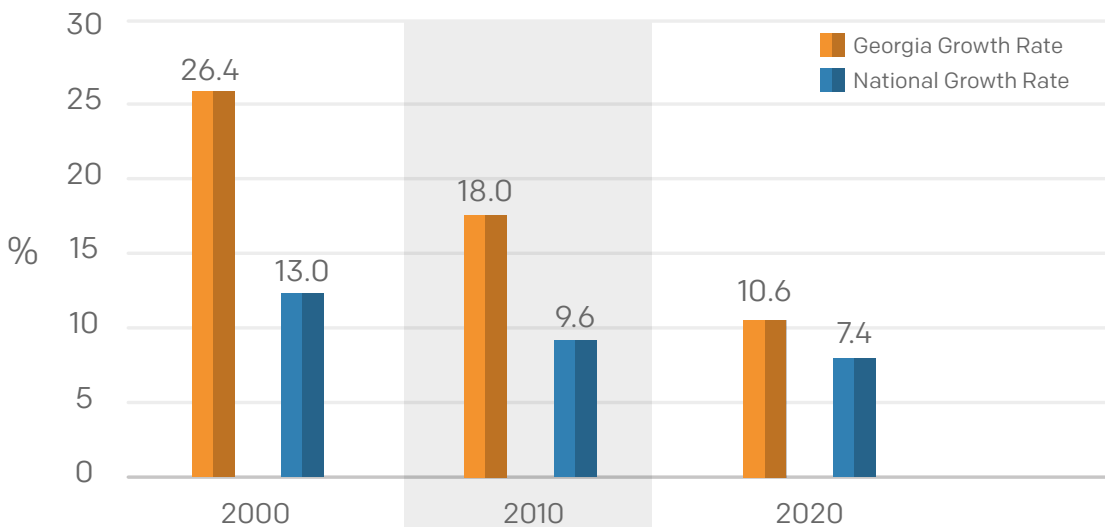
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event              | Date               | Forum                                      | FHLBank Atlanta Role      | Data and Information                                 |
|----------------------------|--------------------|--|---------------------------|--|
| Affordable Housing Program | September 16, 2021 | GA Affordable Housing Coalition Conference | Panelist - Joel Brockmann | 592 registered, 7 member banks in attendance, 1 CDFI |

## POPULATION STATISTICS

From 2000 through 2020, Georgia's population growth rate declined from 26.4 percent to 10.6 percent, consistent with the growth rate pattern nationally but showing a steady decline. Georgia's highest population growth was seen in the counties in and around metro Atlanta and Savannah, such as Forsyth and Bryan, which had the highest population growth rates in the state (over 40 percent since 2010). Small rural counties in the central and southern areas of the state made up the majority of the counties with a decrease in population. For instance, Dooly and Clay counties had population declines of roughly 14 percent each since 2010. With a total population of roughly 10.7 million, Georgia ranked eighth in the U.S. in size, while its population growth rate ranked 12th.

### GEORGIA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

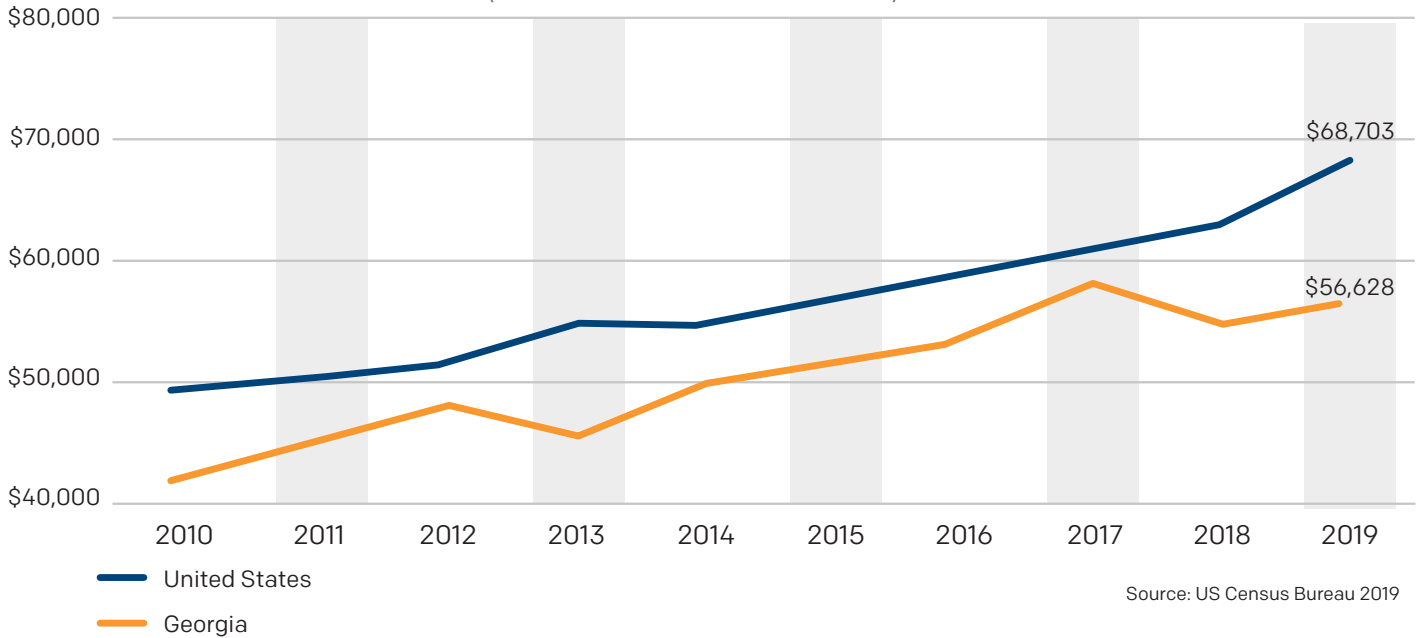


**KEY TAKEAWAY:** In 2020, the population growth rate declined nationally as well as in Georgia.

## INCOME AND POVERTY STATISTICS

Between 2018 and 2019, all but seven counties in Georgia saw increases in median income, with most seeing growth of about three percent. Counties in the southwestern portion of the state experienced remarkably high growth in median income. For instance, Seminole, Early, and Calhoun counties all experienced growth rate in excess of 20 percent. Of the five counties with the highest median income growth rates, four were located in southwestern Georgia. On the other hand, counties in northern Georgia including, Dade, Tattnall, and Franklin, experienced the largest decreases in median income.

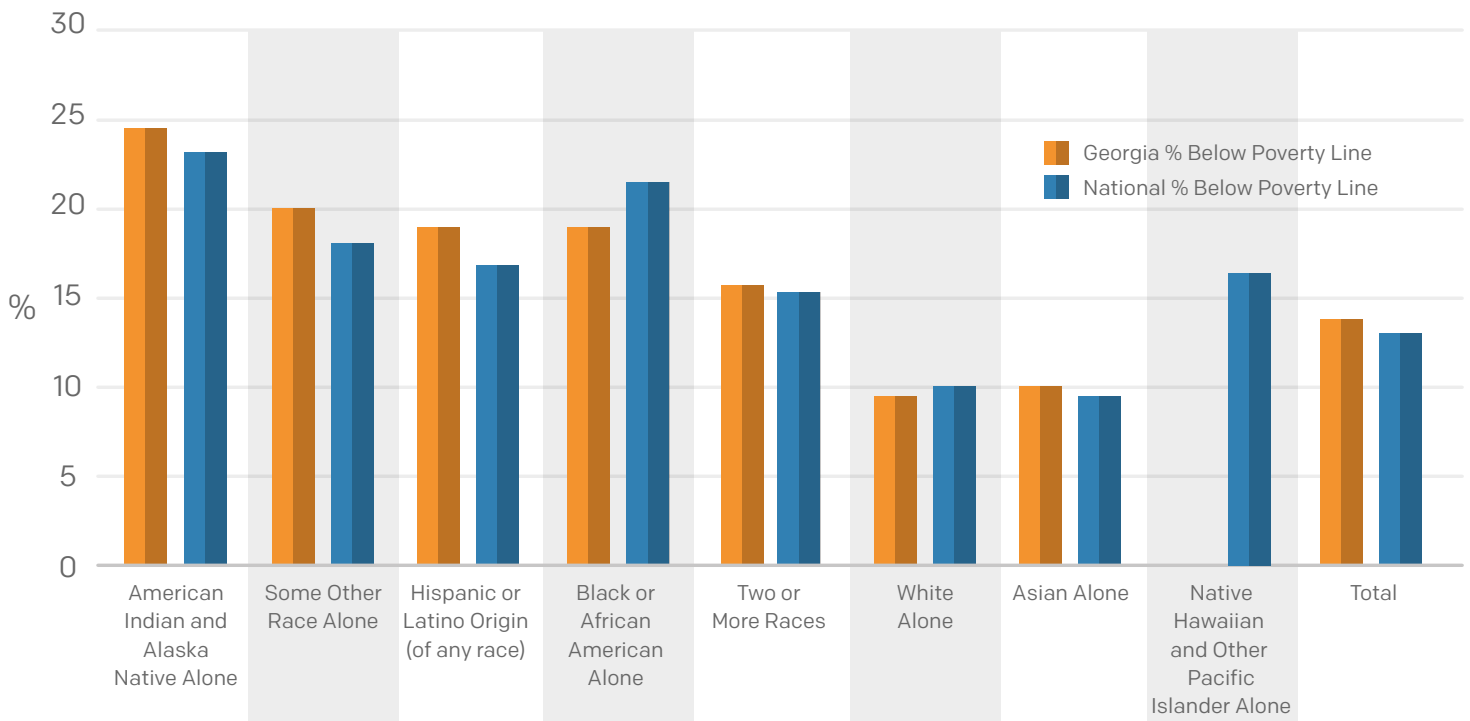
## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)



**KEY TAKEAWAY:** The median household income for the state of Georgia in 2019 was \$56,628, which was 17.5 percent lower than the national median of \$68,703.

The total number of white residents living below the poverty line in Georgia (598,776) was similar to the total number of Black residents living below the poverty line (614,996), but minority populations in Georgia are more impacted by poverty. Poverty levels were lower in Georgia than the national average for white and Black residents, while other minorities were worse off in Georgia than in the nation as a whole. Rural counties in the southern portion of the state had the highest poverty rates, while metro areas and counties in north Georgia with higher white populations had the lowest.

## POVERTY BY ETHNICITY (Source: US Census Bureau 2019)







**KEY TAKEAWAY:** In 2019, Black Georgians were significantly more likely to live in poverty than white residents (18.8 percent vs. 10 percent), but other minorities were even more likely to live in poverty.

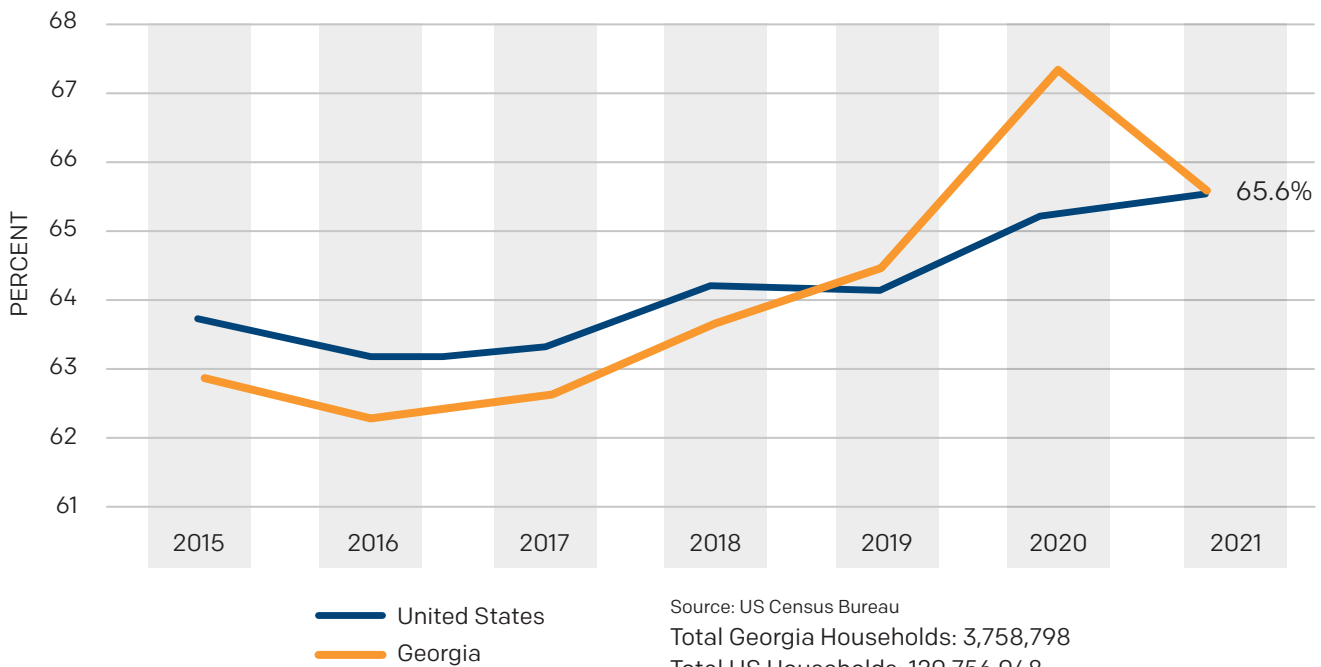


**KEY TAKEAWAY:** In 2019, an estimated 13.5 percent of Georgians lived below the federal poverty line.

## HOUSING STATISTICS

Georgia ranks 35th in the nation for homeownership and is seventh in the Bank's district.

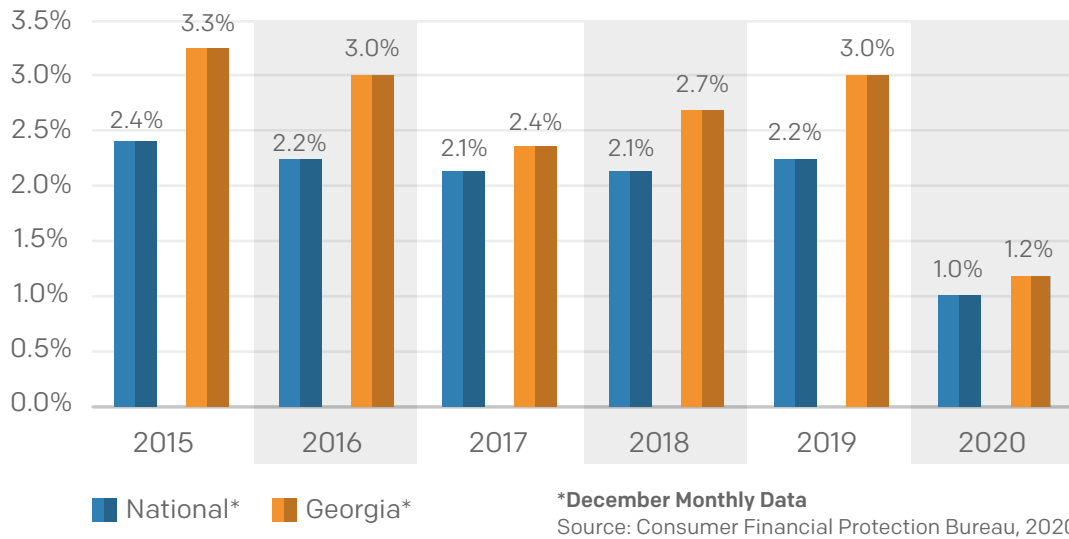
### HOMEOWNERSHIP RATE



**KEY TAKEAWAY:** In 2019, the rate of homeownership in Georgia grew to exceed the national average. However the level of homeownership in Georgia actually declined in the first quarter of 2021 from its peak in 2020 and was consistent with the national average at 65.6 percent.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.

## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



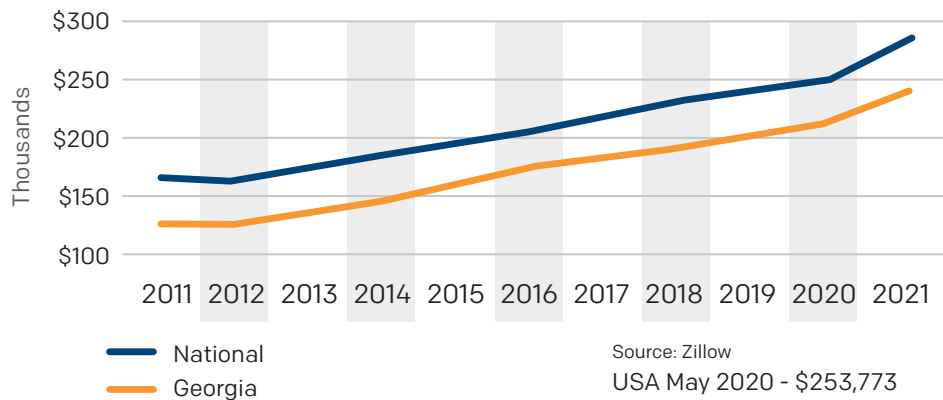
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency, although Georgia still exceeds the national average.

While mortgage delinquency was lower both nationally and in Georgia as of December 2020 than it had been in prior years, this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, some consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency. According to a mid-year report on foreclosure activity by ATTOM Data Solutions, Macon ranked third in major metro areas with the highest foreclosure rates, with a foreclosure reported on one in every 2,853 housing units. For the first and second quarters of 2021, Georgia reported a foreclosure rate of one in every 1,854 housing units, which ranked it 12th in the country for the highest statewide rates, and third highest for the states in the Bank's district.

According to data from Zillow, the median home price in Georgia has steadily increased in recent years, but has been in line with national increases. In fact, the median home price in Georgia for the past five years has increased almost identically to the median home price nationally. The difference has been as low as \$38,003 and no more than \$45,930 between the national median and the state median since 2011, with the peak price difference occurring in 2021.

## MEDIAN HOME PRICES, 2011-2021

GEORGIA MAY 2020 - \$212,754  
GEORGIA MAY 2021 - \$241,218

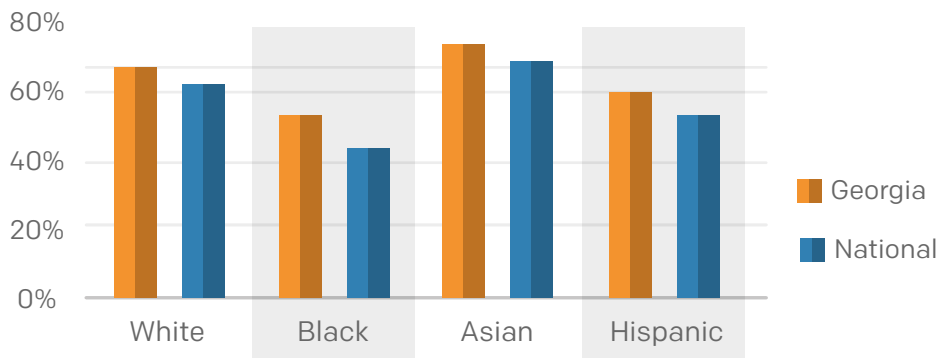


**KEY TAKEAWAY:** Home prices in Georgia are lower than the national average, but did experience increases during the past year consistent with national patterns.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

## SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors 2021)



Total Georgia Households: White: 2,334,044, Black: 1,214,712, Asian: 141,542, Hispanic: 270,250



**KEY TAKEAWAY:** In Georgia, households are slightly more able to find an affordable home than in many other parts of the country, with the biggest advantage among Black households, although they are still the least able of all groups to afford a home.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in Georgia.

### FACTS ABOUT GEORGIA:

#27\*

In **Georgia**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$994**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$3,313** monthly or **\$39,758** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$19.11**  
PER HOUR  
STATE HOUSING  
WAGE

**105** Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**91** Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.6** Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

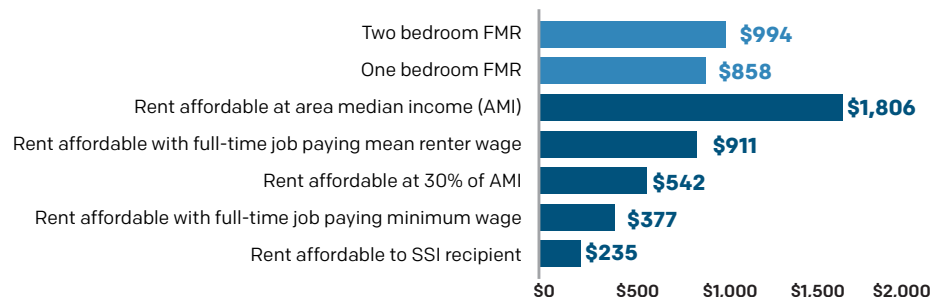
**2.3** Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

#### STATE FACTS

**\$7.25** MINIMUM WAGE  
**\$17.51** AVERAGE RENTER WAGE  
**\$19.11** 2-BEDROOM HOUSING WAGE  
**1,369,507** NUMBER OF RENTER HOUSEHOLDS  
**37%** PERCENT RENTERS

#### MOST EXPENSIVE AREAS

**\$22.44** ATLANTA-SANDY SPRINGS-ROSWELL HMFA  
**\$19.42** SAVANNAH MSA  
**\$17.65** MORGAN COUNTY  
**\$17.58** BUTTS COUNTY  
**\$17.27** HALL COUNTY



MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

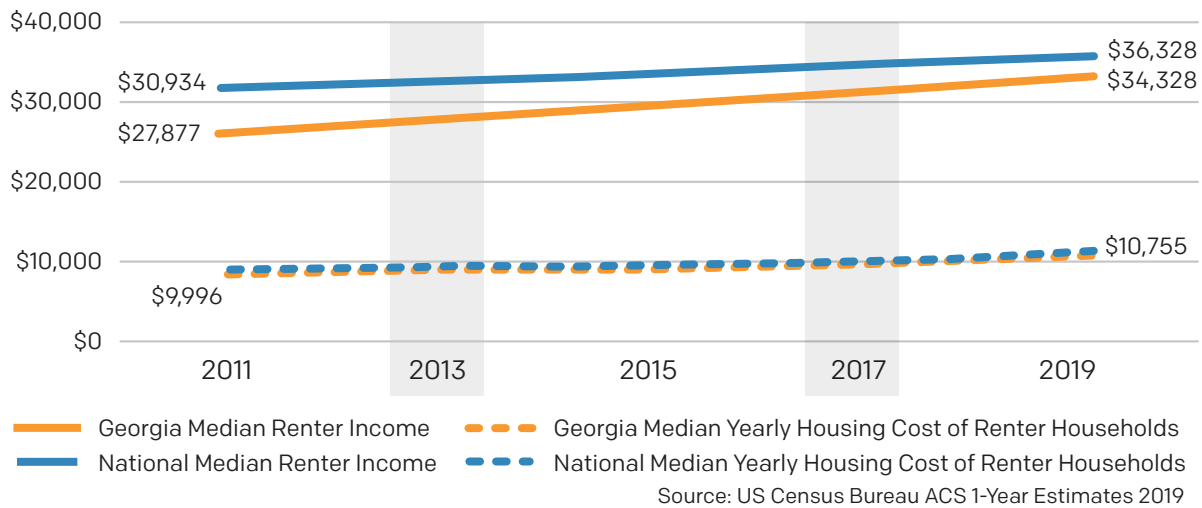
\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

OUT OF REACH 2020 | National Low Income Housing Coalition

These numbers have not changed from the prior year, and the picture is still one of severe burden for many Georgia residents who cannot afford housing if they are working for minimum wage, even with more than two full-time earners contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in Georgia experienced a growth in income that exceeded the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was 24 percent while the growth in rental housing costs was only eight percent over the same period. Nationally, both rental housing costs and median incomes saw increases, and over the same time period Georgia experienced a rate of growth in rental housing costs similar to the national average of eight percent, and a higher growth in median incomes than the national average of 17 percent.

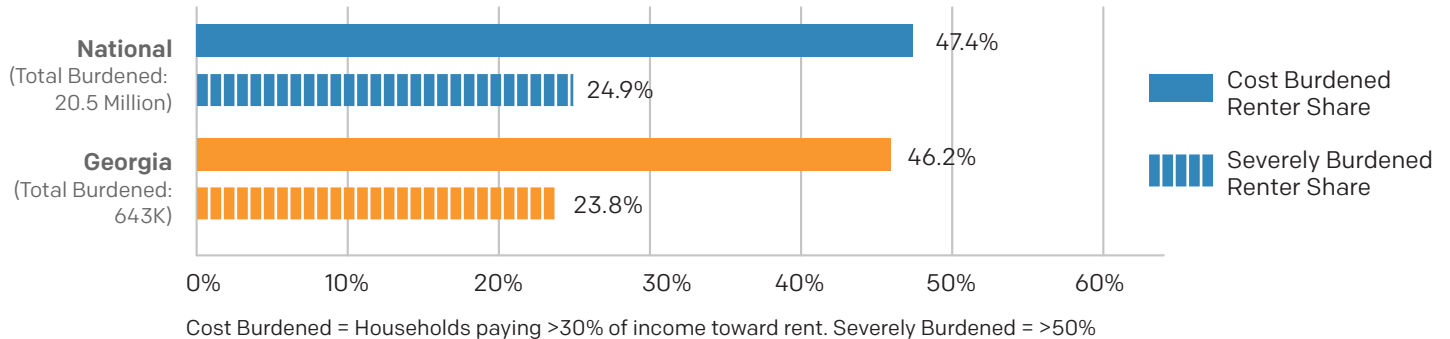
### MEDIAN RENTER INCOME vs. HOUSING COSTS ADJUSTED FOR INFLATION



**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in Georgia moved up modestly in 2019, but increased more than national levels, while housing costs moved consistent with national patterns.

Across Georgia, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

### COST BURDENED RENTER SHARE SOURCE: HARVARD UNIVERSITY JCHS, 2019



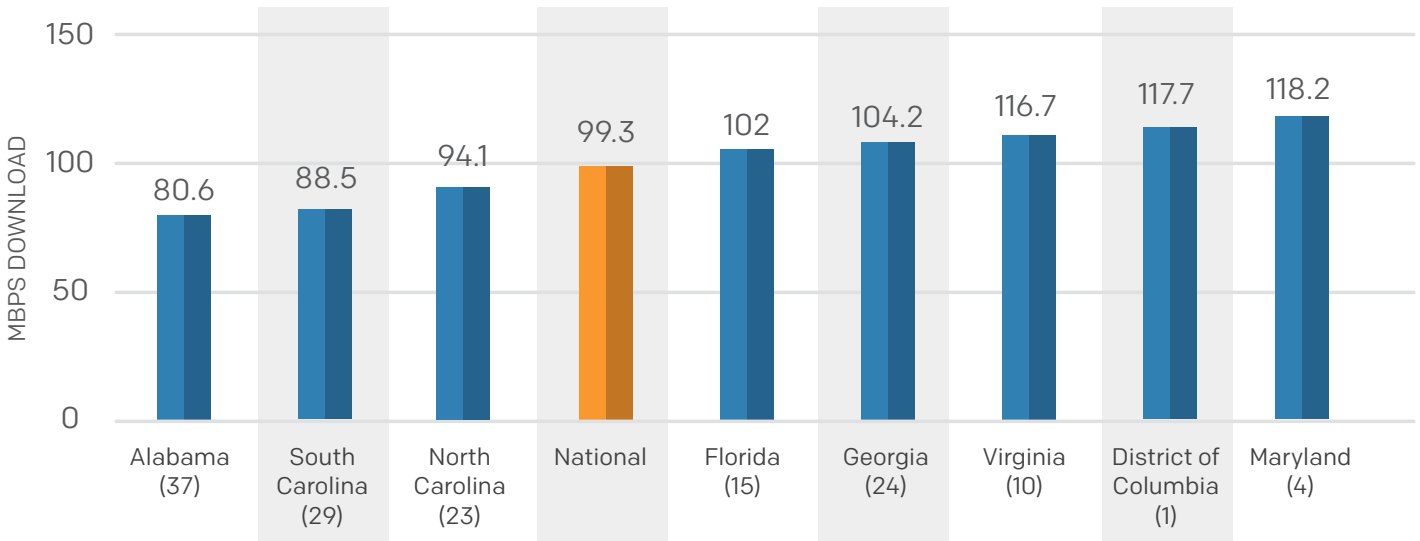
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in Georgia is only slightly better than the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, Georgia ranked 24th in the country in terms of the accessibility to broadband technology, and also has done well with 104.2 MBPS download speed as of 2021, which is just above the midpoint of states in the Atlanta region and also above the national average of 99.3 MBPS. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization's primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** Georgia has higher broadband speeds and ranks well compared to other parts of the country.



## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the Bank's district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank's district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### GEORGIA, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total Georgia MDIs                      | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 9    | 9    | 9    | 8    | 9    | 9    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 2    | 2    | 2    | 2    | 2    | 2    |
| Hispanic American                       | 0    | 0    | 0    | 0    | 0    | 0    |
| Asian or Pacific Islander American      | 6    | 6    | 6    | 6    | 7    | 7    |
| Native American Alaskan Native American | 0    | 0    | 0    | 0    | 0    | 0    |
| Multi-racial American                   | 1    | 1    | 1    | 0    | 0    | 0    |



**KEY TAKEAWAY:** The number of MDIs in Georgia has remained relatively constant at nine institutions since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization  | Category    |
|----|---|-------------|
| 1  | A Better Chance   | Education   |
| 2  | Access to Capital for Entrepreneurs (ACE)                         | Banking     |
| 3  | Albany State University - Albany                                  | HBCU        |
| 4  | Carver College* - Atlanta   | HBCU        |
| 5  | Clark Atlanta University - Atlanta                                | HBCU        |
| 6  | Fort Valley State University - Fort Valley                        | HBCU        |
| 7  | Georgia Banking Association Women in Banking Committee            | Banking     |
| 8  | Georgia Hispanic Bar Association                                  | Law         |
| 9  | Georgia Hispanic Chamber of Commerce                              | Business    |
| 10 | Georgia Hispanic Construction Association                         | Builders    |
| 11 | Georgia Minority Supplier Development Council                     | Builders    |
| 12 | Georgia Tech Enterprise Innovation Institute                      | Business    |
| 13 | Good Places   | Real Estate |
| 14 | Greater Women's Business Council                                  | Business    |
| 15 | Interdenominational Theological Center - Atlanta                  | HBCU        |
| 16 | Latin American Association  | Education   |
| 17 | Latino Community Fund   | Banking     |
| 18 | Metropolitan Savannah Area Hispanic Chamber of Commerce           | Business    |
| 19 | Minorities in Agriculture, Natural Resources and Related Sciences | Agriculture |
| 20 | Minority Business Development Agency (MBDA)                       | Government  |

|    |   |             |
|----|---|-------------|
| 21 | Minority Professionals Network                                  | Other       |
| 22 | Morehouse College - Atlanta                                     | HBCU        |
| 23 | Morris Brown College** - Atlanta                                | HBCU        |
| 24 | National Association of Hispanic Realtor Professional - Atlanta | Real Estate |
| 25 | National Association of Minority Architects                     | Builders    |
| 26 | National Association of Minority Contractors                    | Builders    |
| 27 | National Minority Supplier Development Council                  | Builders    |
| 28 | Northeast GA Business Alliance                                  | Business    |
| 29 | Paine College - Augusta   | HBCU        |
| 30 | Professional Women In Building Atlanta                          | Builders    |
| 31 | Savannah State University - Savannah                            | HBCU        |
| 32 | Spelman College - Atlanta                                       | HBCU        |

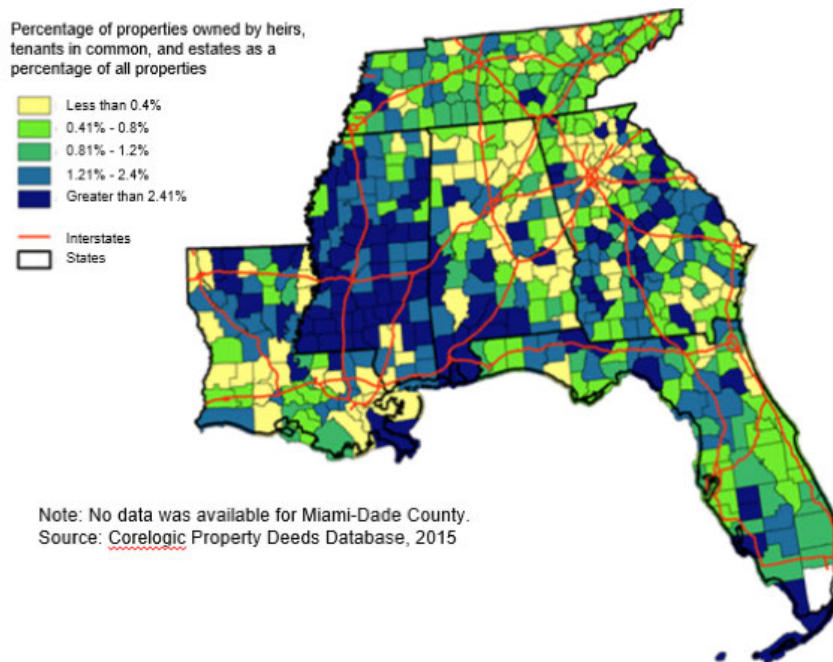


**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt that includes Georgia, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair. Based on the information gathered by the Federal Reserve Bank of Atlanta and graphically depicted below, there is a significant amount of property in Georgia that is impacted by the heirs' property title issue.

### Percentage of Residential Heirs' Properties by County in the Southeast



**KEY TAKEAWAY:** Georgia has a significant proportion of properties with tangled titles that deter wealth generation for impacted families, in both urban and rural communities.

The USDA tracks data related to heirs' property and some county level data for Georgia is available on their website, as shown below:

| COUNTY     | POTENTIAL HEIRS' PROPERTY PARCEL COUNT | PERCENT OF PARCELS WITH POTENTIAL HEIRS' PROPERTY | ACREAGE OF POTENTIAL HEIRS' PROPERTY | PERCENT OF COUNTY ACREAGE IN HEIRS' PROPERTY | VALUE OF HEIRS' PROPERTY PARCELS | VALUE PER ACRE (\$) |
|------------|--|---|--------------------------------------|--|----------------------------------|---------------------|
| Calhoun    | 398                                    | 11.8%   | 2078                                 | 1.1%   | \$13,309,474.00                  | \$6,404.94          |
| Clay       | 651                                    | 21.0%   | 5618                                 | 4.1%   | \$33,637,362.00                  | \$5,987.43          |
| Dougherty  | 9386                                   | 24.8%   | 10192                                | 5.2%   | \$648,643,199.00                 | \$63,642.39         |
| Taliaferro | 375                                    | 16.6%   | 2941                                 | 2.4%   | \$2,363,320.00                   | \$803.58            |
| Telfair    | 1716                                   | 20.0%   | 13634                                | 5.0%   | \$67,855,196.00                  | \$4,976.91          |
| Bibb       | 7466                                   | 10.8%   | 9374                                 | 6.8%   | \$523,207,628.00                 | \$55,814.77         |
| Clarke     | 4630                                   | 11.1%   | 4458                                 | 7.4%   | \$565,129,450.00                 | \$126,767.49        |
| Evans      | 1059                                   | 16.2%   | 7715                                 | 7.6%   | \$57,351,608.00                  | \$7,433.78          |
| Jasper     | 1316                                   | 13.1%   | 3275                                 | 1.3%   | \$64,317,222.00                  | \$19,638.85         |
| McIntosh   | 2433                                   | 18.9%   | 13298                                | 5.5%   | \$173,136,902.00                 | \$13,019.77         |
|            | <b>29,430</b>                          |   | <b>72,583</b>                        |  | <b>\$2,148,951,361.00</b>        |                     |

Source: CAMA data estimates, USDA September 2019

The above data demonstrates a total of over \$2 billion in 10 counties that is potentially at risk due to a title issue, preventing families from taking full advantage of the value of their property and maximizing their wealth. Across the state, it can be estimated that 90 counties with populations that are over 25 percent Black contain an average of over \$6 million of heirs' property per county.

|  |              |
|--|--------------|
| Number of Black Belt counties (>25% Black)                         | 90           |
| Percent land in heirs' property (Black Belt average)               | 0.50%        |
| Total acres heirs' property Black Belt counties                    | \$22,057,600 |
| Heirs' property value per acre                                     | \$5,000      |
| Total value of heirs' property in Black Belt counties (\$ million) | \$110,288    |
| Average acres of heirs' property per county                        | 1,225        |
| Average value of heirs' property per county (\$ million)           | \$6,127,111  |

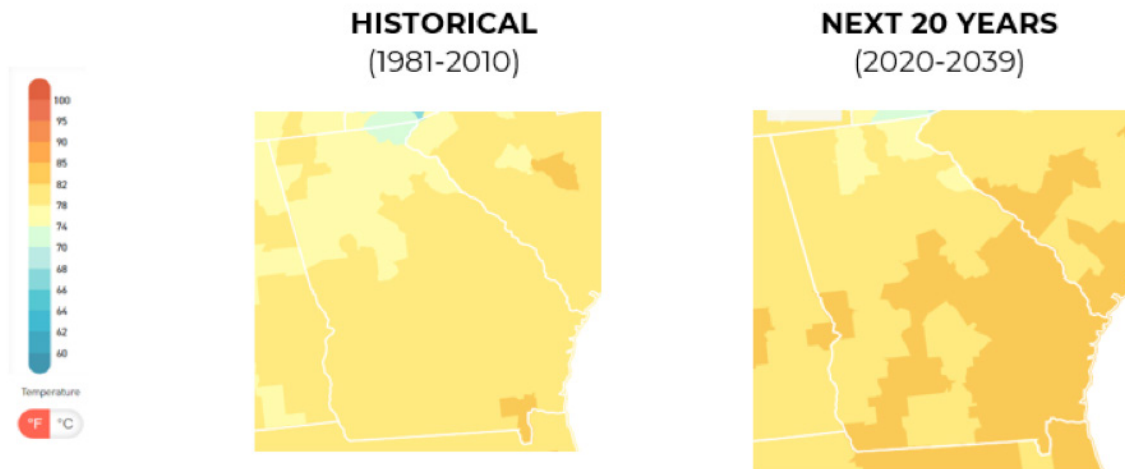


## CLIMATE IMPACTS AND BUILDING RESILIENCY

Temperatures in Georgia have risen over the past decade, though the increases have not been as dramatic as in other parts of the country. Rising temperatures may lead to changing weather patterns, increasing the risk of more frequent floods and droughts and causing added stress on livestock and issues for vulnerable populations. Repeated risk of flooding and damages will increase insurance costs for homeowners.

As temperatures rise, the Environmental Protection Agency projects less water flowing into the Chattahoochee River and other major rivers in and around Georgia. The water level in Lake Lanier will likely fall, and this, along with declines in other water bodies that serve as reservoirs for the Atlanta metro area, may limit municipal water supplies for Atlanta and other cities. This may impact recreational activities related to water and reduce hydroelectric power generation, which will impact the costs of utilities for residents of Georgia.

### HISTORICAL AND PROJECTED TEMPERATURES IN GEORGIA



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery are a contributor to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.

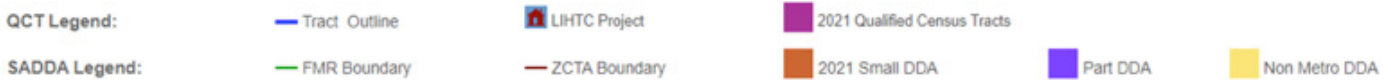


**KEY TAKEAWAY:** Georgia residents may experience increased expenses and declines in median income related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.

## DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates a large segment of Georgia that is impacted by DDA conditions.



**KEY TAKEAWAY:** Many areas within Georgia are considered DDAs, representing a large portion of the geography in some suburban and rural markets.

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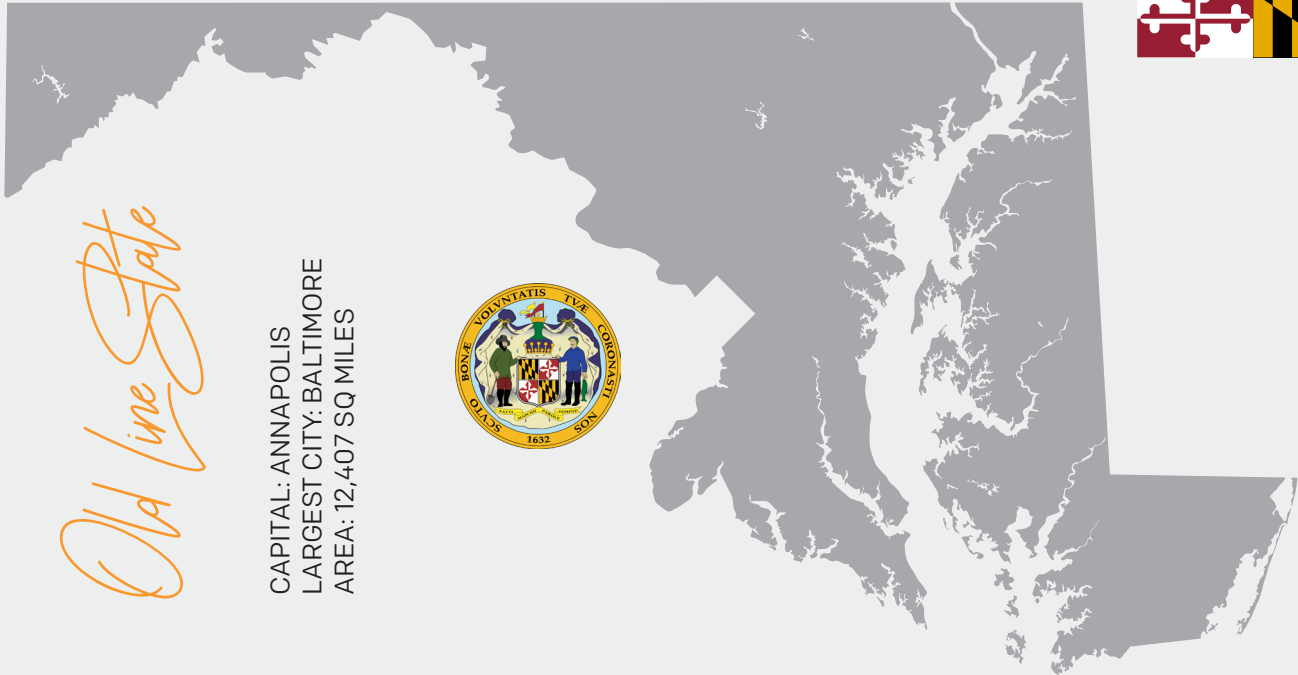
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# MARYLAND



*Old Line State*

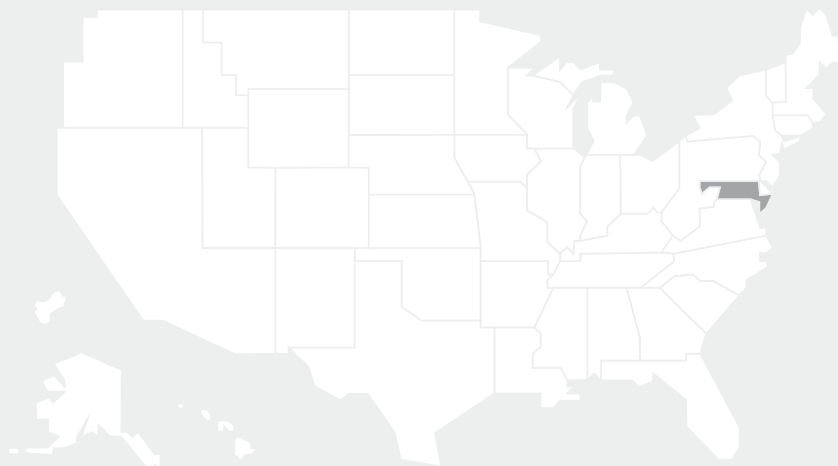
CAPITAL: ANNAPOLIS  
LARGEST CITY: BALTIMORE  
AREA: 12,407 SQ MILES



7

1788

Latitude: 37° 53' N to 39° 43' N  
Longitude: 75° 03' W to 79° 29' W



# MARYLAND

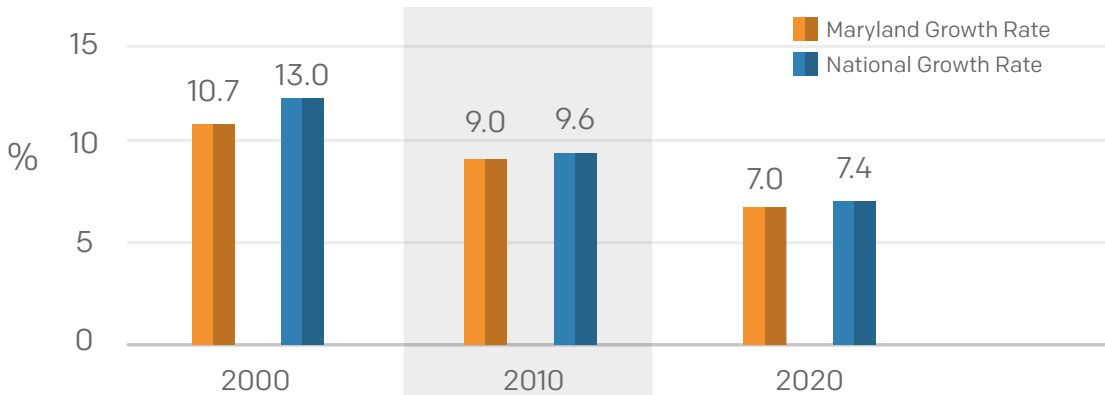
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event                       | Date         | Forum                            | FHLBank Atlanta Role                              | Data and Information             |
|-------------------------------------|--------------|----------------------------------|---|----------------------------------|
| Affordable Housing Program Overview | May 26, 2021 | Baltimore Community Lending Team | Presentation by Joel Brockman and ShaDonte Butler | Eight attendees, one member CDFI |

### POPULATION STATISTICS

From 2000 through 2020, Maryland's overall population growth rate declined from nine percent to seven percent. However, in the southern part of the state along the border with Virginia and in the DC metro area, Charles County and Frederick County both have grown more than 12 percent since 2010. Population is decreasing in the rural northwestern part of the state. Since 2010, seven out of 23 Maryland counties decreased in population, and four of these seven counties had fewer than 35,000 residents, making them the least populous counties in the state. With a total population of roughly 6.2 million, Maryland ranked 18th in the U.S. in size while its population growth rate ranked 23rd.

### MARYLAND POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

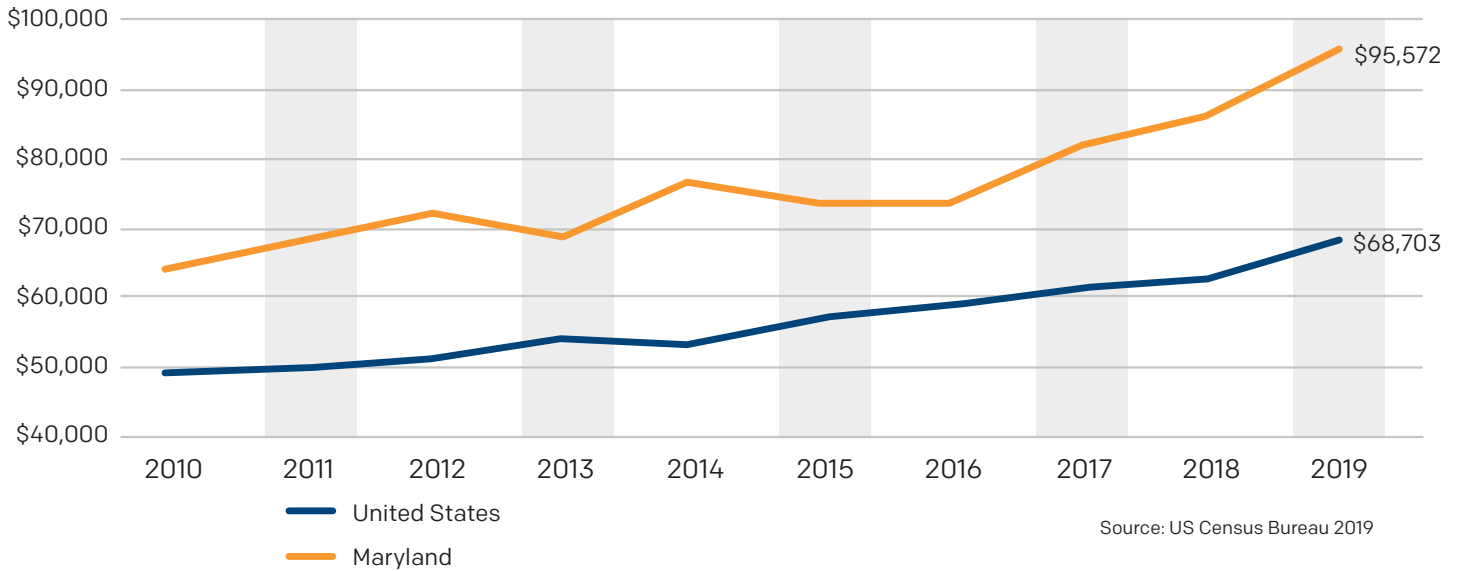


**KEY TAKEAWAY:** In 2020, the national population growth rate continued to decline and Maryland also saw a decline.

### INCOME AND POVERTY STATISTICS

In 2019, the median household income for Maryland was over \$95,000, marking an increase of more than \$31,000 since 2010. While median household income in the United States grew at a rate over 39 percent in the same period, Maryland saw incomes rise by 49 percent, a significantly higher performance. Between 2018 and 2019, all counties in Maryland saw increases in median income, with most seeing growth of roughly three percent. Many of the counties that experienced high growth were located in the northeastern portion of the state, such as Garret, Washington, and Allegheny counties, which saw growth in excess of four percent. Southeastern Maryland counties along the Chesapeake Bay, such as Somerset, Worcester, and Wicomico, experienced low median income growth of two percent or less.

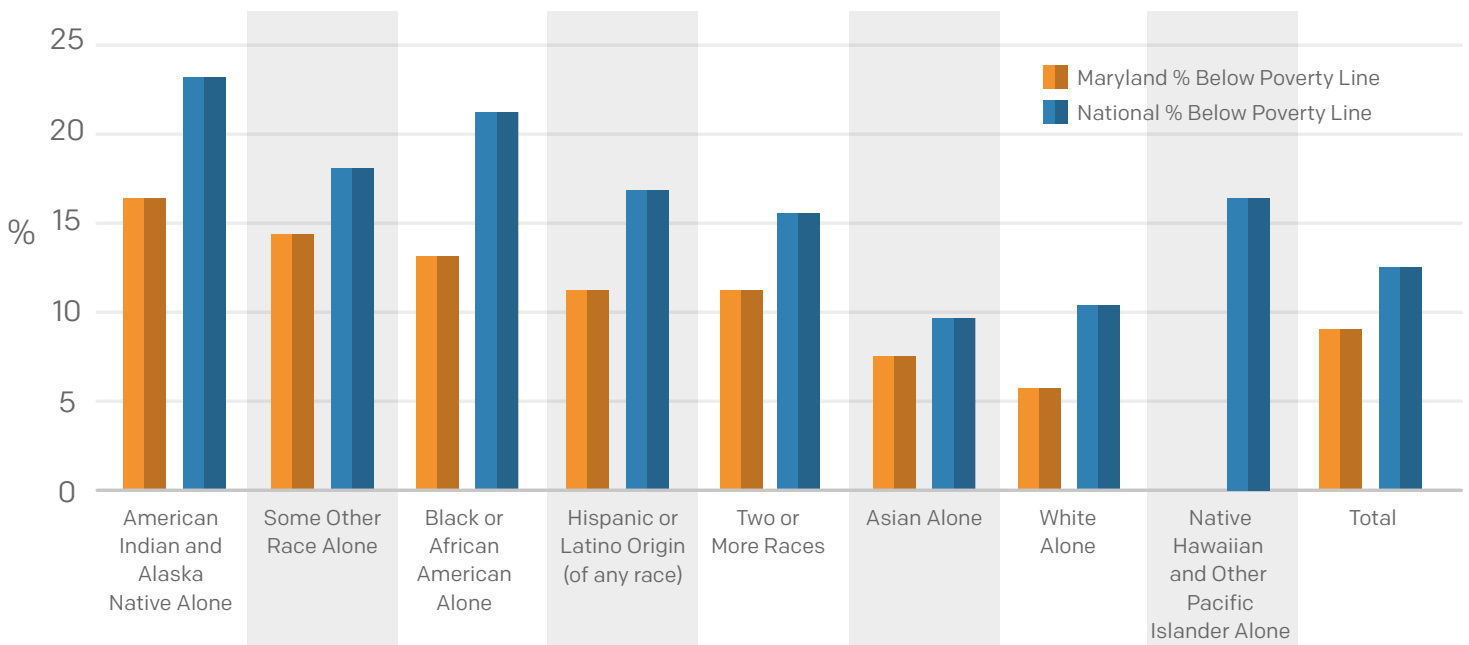
## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)



**KEY TAKEAWAY:** The median household income for the state of Maryland in 2019 was \$95,572, which was 39 percent higher than the national median of \$68,703.

Areas in the eastern portion of the state bordering Delaware had the highest levels of poverty, while counties within the DC metro area had the lowest. Areas with high minority populations, such as Baltimore, had high poverty rates. The total number of Black Maryland residents living in poverty (228,499) was more than the total number of white residents (206,427) living below the poverty line.

## POVERTY BY ETHNICITY (Source: US Census Bureau 2019)





**KEY TAKEAWAY:** In 2019, an estimated nine percent of Maryland residents lived below the federal poverty line.

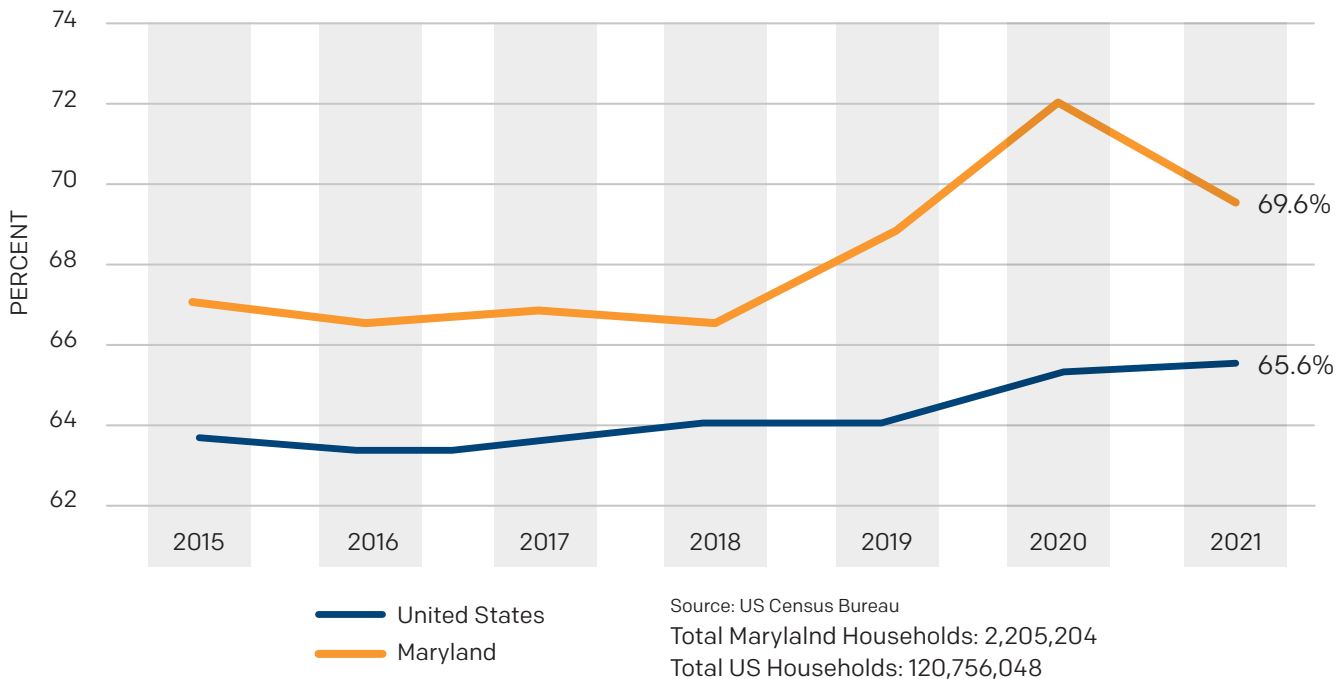


**KEY TAKEAWAY:** In 2019, Black residents were twice as likely to live in poverty as white residents (12.9 percent vs 6.4 percent).

## HOUSING STATISTICS

Maryland ranks 23rd in the nation for homeownership and is third in the Bank's district.

### HOMEOWNERSHIP RATE

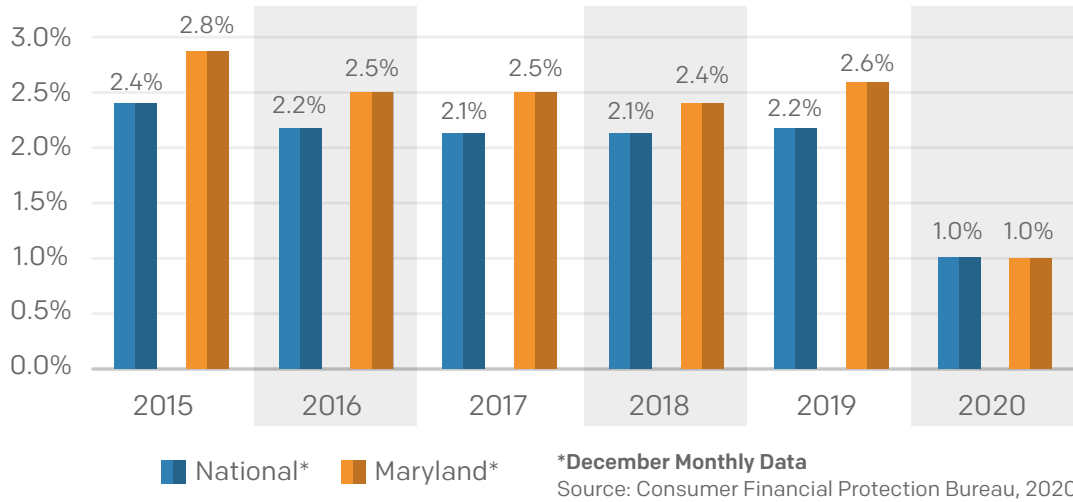


**KEY TAKEAWAY:** The level of homeownership in Maryland declined in 2021, dropping roughly three percentage points from its peak in 2020, although nationally homeownership continued to increase.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.



## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



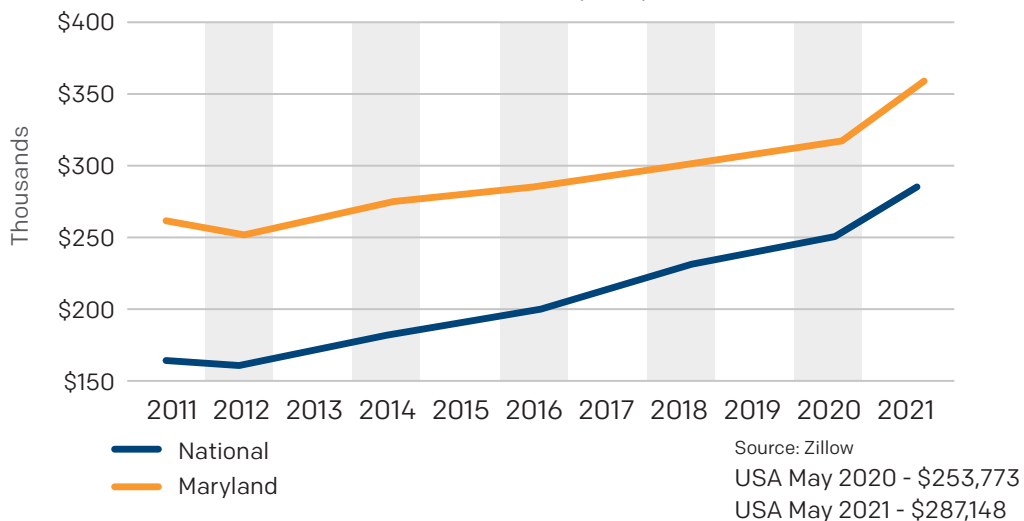
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower nationally and in Maryland as of December 2020 than it had been in prior years, this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, some consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency. A June report on mid-year foreclosure data by ATTOM Data Solutions ranked Maryland 19th with a foreclosure rate of less than one percent. Maryland saw a 78 percent decrease in foreclosures in the first six months of 2021 compared to 2020.

According to data from Zillow, the median home price in Maryland has continued to increase in recent years, largely in line with national increases. In fact, the median home price in Maryland for the past five years has increased similarly to the median home price nationally. The difference between the median home price in Maryland and the median national home price has been as low as \$66,747 in 2020, and as high as \$95,414 in 2011.

## MEDIAN HOME PRICES, 2011-2021

MARYLAND MAY 2020 - \$320,320  
MARYLAND MAY 2021 - \$362,347

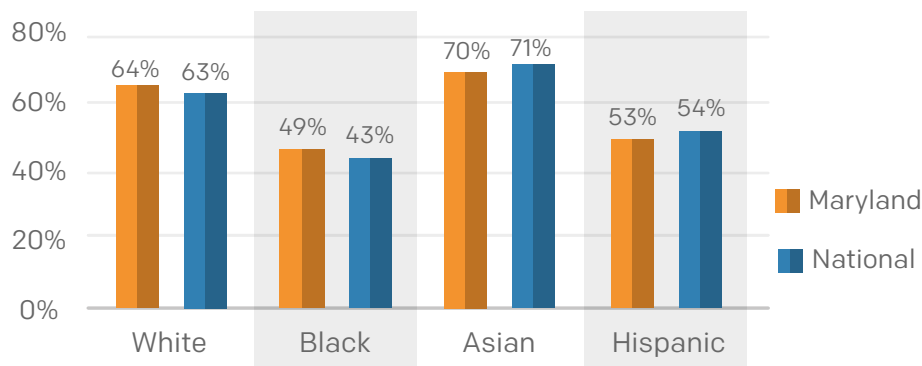


**KEY TAKEAWAY:** Home prices in Maryland continue to exceed the national average, but had similar increases during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

## SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors 2021)



Total Maryland Households: White: 1,307,320, Black: 669,649, Asian: 124,796, Hispanic: 152,940



**KEY TAKEAWAY:** In Maryland, households are generally close to the national average when it comes to being able to afford a home.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in Maryland.

### FACTS ABOUT MARYLAND:

#8\*

In **Maryland**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,459**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$4,864** monthly or **\$58,366** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$28.06**  
PER HOUR  
STATE HOUSING  
WAGE

**102** Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**85** Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.6** Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

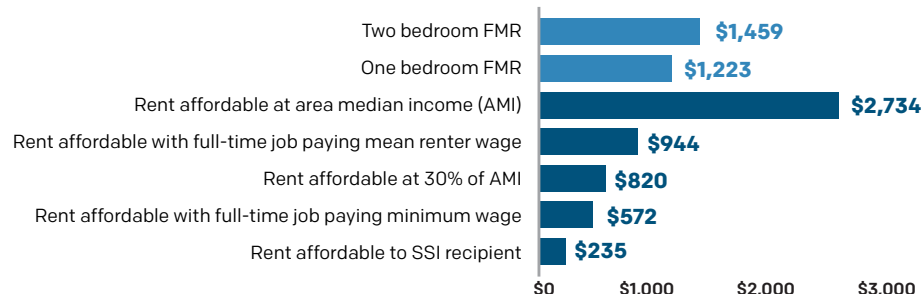
**2.1** Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

#### STATE FACTS

**\$11.00** MINIMUM WAGE  
**\$18.16** AVERAGE RENTER WAGE  
**\$28.06** 2-BEDROOM HOUSING WAGE  
**728,577** NUMBER OF RENTER HOUSEHOLDS  
**33%** PERCENT RENTERS

#### MOST EXPENSIVE AREAS

**\$32.83** WASHINGTON-ARLINGTON ALEXANDRIA HMFA  
**\$26.46** BALTIMORE-COLUMBIA TOWSON MSA  
**\$25.54** CALIFORNIA-LEXINGTON PARK MSA  
**\$23.58** CECIL COUNTY  
**\$22.37** TALBOT COUNTY



MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

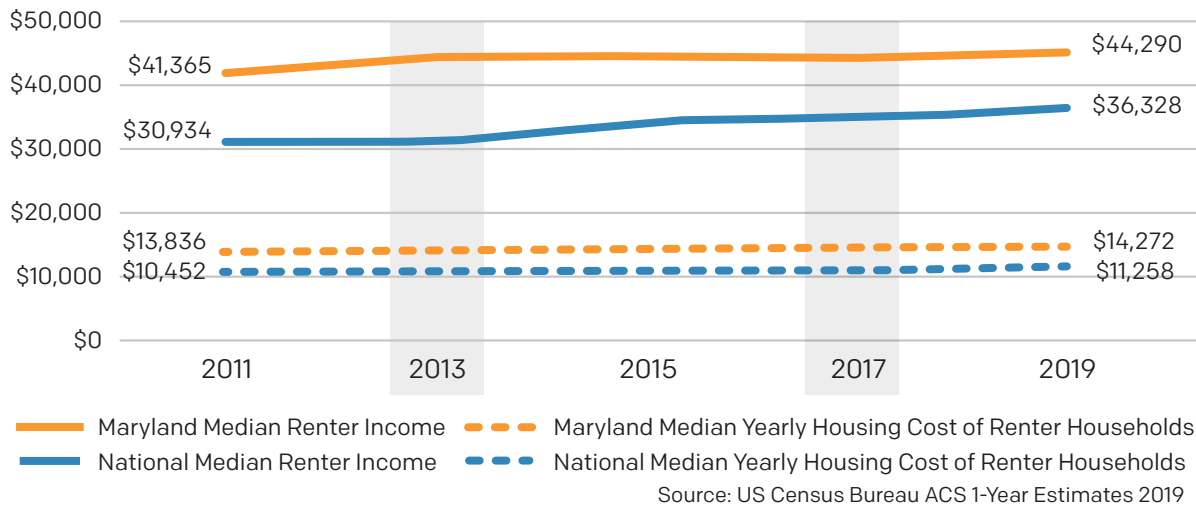
OUT OF REACH 2020 | National Low Income Housing Coalition

These numbers have not changed from the prior year, and the picture is still one of severe burden for many Maryland residents who cannot afford housing if they are working for minimum wage, even with more than two full-time earners contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in Maryland experienced a growth in income that exceeded the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was 7.1 percent while the growth in rental housing costs was only 3.2 percent over the same period. Nationally both rental housing costs and median incomes saw increases, but over the same time period Maryland experienced a lower rate of growth in housing costs compared to the national average of eight percent, as well as a significantly lower growth rate in median incomes compared to the national average of 17 percent.

### MEDIAN RENTER INCOME vs. HOUSING COSTS

ADJUSTED FOR INFLATION

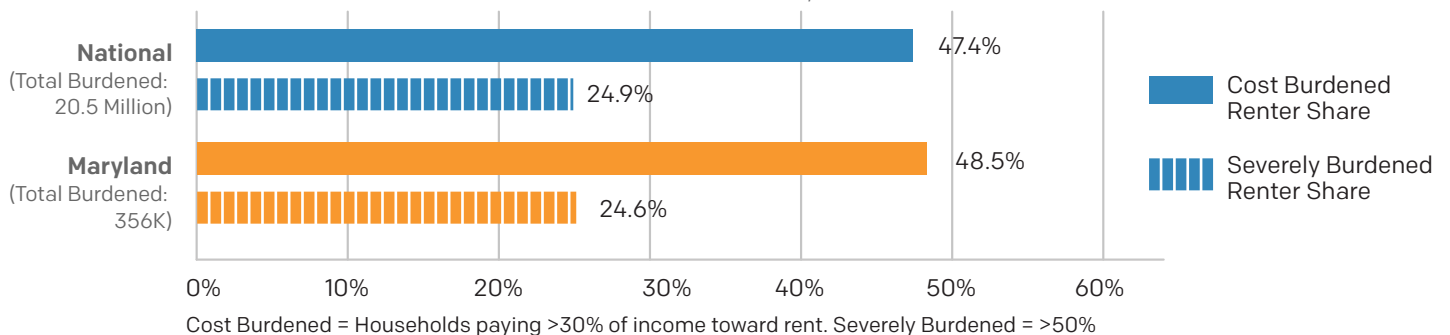


**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in Maryland remained stable in 2019 while housing costs were also relatively stable.

Across Maryland, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

### COST BURDENED RENTER SHARE

SOURCE: HARVARD UNIVERSITY JCHS, 2019



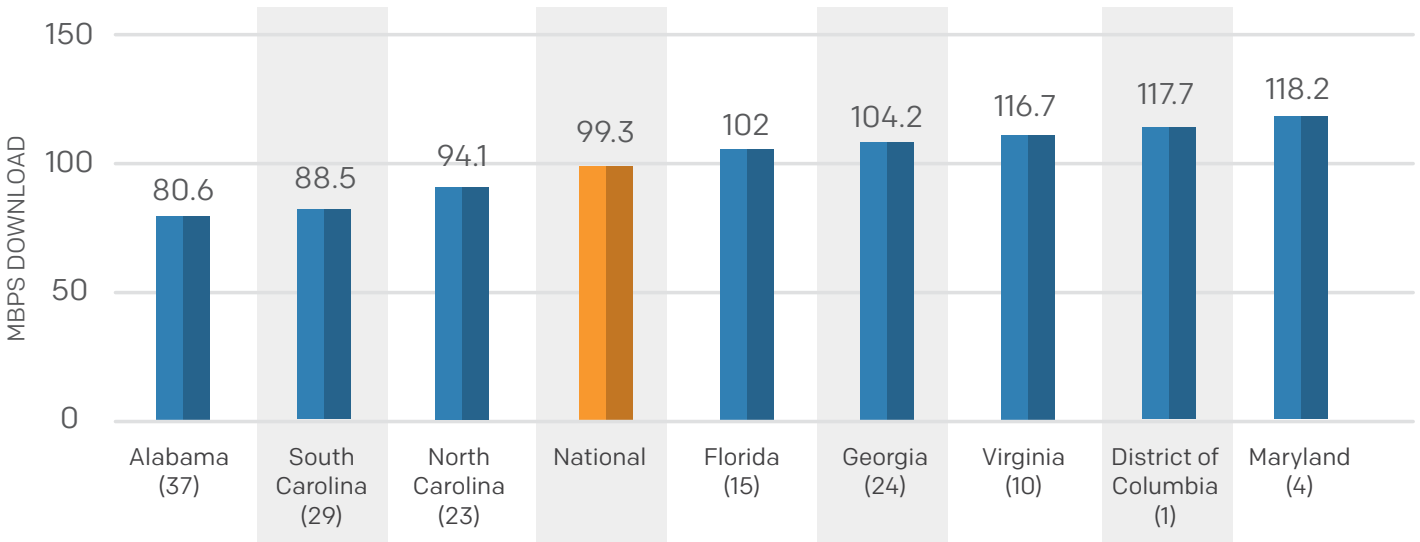
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in Maryland is consistent with the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, Maryland ranked fourth in the country in 2021 terms of accessibility to broadband technology, and has also done well with 118.2 MBPS download speed as of 2021, which is highest of the states in FHLBank Atlanta’s district and well above the national average of 99.3 MBPS. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization’s primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** Maryland has the highest broadband speeds and ranks well compared to other parts of the country.



## DIVERSITY, EQUITY AND INCLUSION

Shareholder MDIs and MSOs in the Bank’s district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank’s district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### MARYLAND, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total Maryland MDIs                     | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 1    | 1    | 1    | 1    | 1    | 1    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 1    | 1    | 1    | 1    | 1    | 1    |
| Hispanic American                       |      |      |      |      |      |      |
| Asian or Pacific Islander American      |      |      |      |      |      |      |
| Native American Alaskan Native American |      |      |      |      |      |      |



**KEY TAKEAWAY:** There has been one MDI in Maryland since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization  | Category    |
|----|---|-------------|
| 1  | Associated Black Charities  | Other       |
| 2  | Bowie State University- Bowie                                     | HBCU        |
| 3  | Hispanic Association on Corporate Responsibility                  | Other       |
| 4  | Hispanic Business Foundation of Maryland                          | Business    |
| 5  | Hispanic Chamber of Commerce of Montgomery County                 | Business    |
| 6  | HomeFree USA  | Education   |
| 7  | Latino Economic Development Center                                | Government  |
| 8  | Latino Providers Network  | Business    |
| 9  | Maryland Black Chamber of Commerce                                | Business    |
| 10 | Morgan State University - Baltimore                               | HBCU        |
| 11 | National Association of Black Accountants (NABA, Inc.)            | Education   |
| 12 | National Association of Hispanic Realtor Professionals - Columbia | Real Estate |
| 13 | National Black Nurses Association                                 | Health Care |
| 14 | Southern Maryland Minority Chamber of Commerce                    | Business    |
| 15 | Spanish Community of Maryland                                     | Other       |
| 16 | University of Maryland- Eastern Shore - Princess Anne             | HBCU        |



**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair. Based on the information gathered by the Federal Reserve Bank of Atlanta and the United States Department of Agriculture, there is a significant amount of property around the country that is impacted by the heirs' property title issue. While there is not any current data specific to the impacted property within the limits of Maryland, it is logical that the issue exists in this geographic region as it does in surrounding areas where there is a low income community with limited resources available to obtain legal expertise.

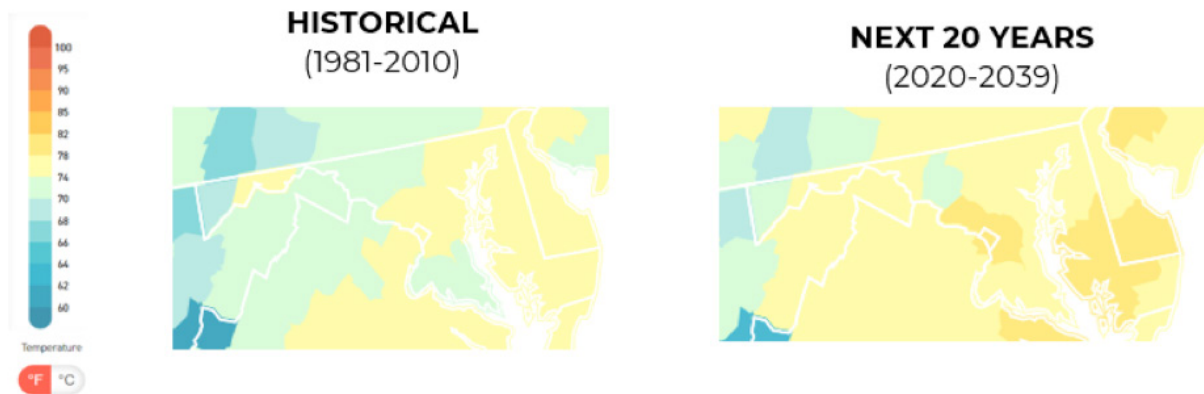
## CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

Temperatures in Maryland have risen by one to two degrees over the past century. Additionally, average annual precipitation has increased roughly five percent, while precipitation from extremely heavy storms has increased by more than 25 percent since 1958. Increased rainfall, primarily during winter and spring, will result in drier soil during the summer and intensified flooding and drought conditions during the summer and fall.

Sea level is also projected to rise between 16 inches and four feet during the next century. The lowest dry lands will become tidal wetland or open water. Freshwater wetlands in the upper tidal portions of the Potomac, Patuxent, Choptank, and Nanticoke rivers capture floating sediment to build their own land, but salt marshes elsewhere in the state will be unable to keep pace with the projected sea level rise. Wetlands along the Eastern Shore will likely be lost, and wetlands in Dorchester County are already being submerged by rising sea levels. Salt water impacts to inland bays and rivers may cause crops and trees to fail as soil becomes too salty. Parts of Maryland's fishing and agriculture industries may suffer as a result. Maryland's famous blue crabs, along with other shellfish that are impacted by acidity in the water, may become scarce or be replaced by other species.

Beach erosion will be further advanced. Assateague Island is expected to be broken up or lost to erosion by 2100, according to the U.S. Geological Survey. Eroding beaches along the Chesapeake Bay will be impacted and more hard shore protection structures will be necessary to protect existing development. These increased costs will be felt by residents and will impact future development. Storm damage to highways, energy, and wastewater infrastructure will also impact affordability in affected communities. Increased insurance rates for wind and flooding will likely impact homeowners insurance policies, and drive up deductibles.

## HISTORICAL AND PROJECTED TEMPERATURES IN MARYLAND



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery are a contributor to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.

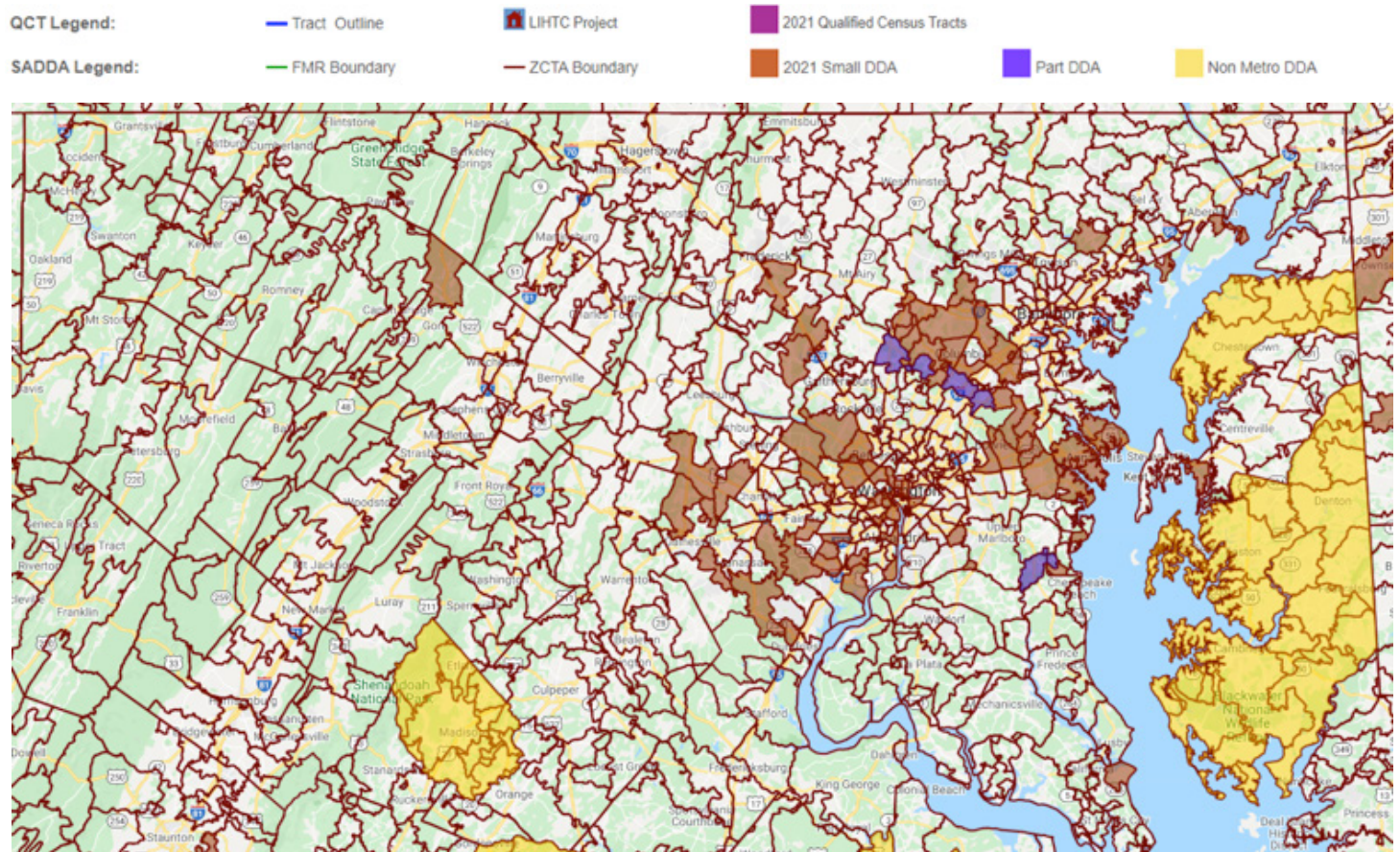


**KEY TAKEAWAY:** Maryland residents may experience increased expenses and declines in median income related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.

## DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates a large segment of Maryland that is impacted by DDA conditions.



**KEY TAKEAWAY:** Many areas within Maryland are considered DDAs, representing a large portion of the geography in urban and rural markets.

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13. U.S. Census Bureau, American Community Survey 1-Year Estimates, Financial Characteristics  
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# NORTH CAROLINA

*Old North State*

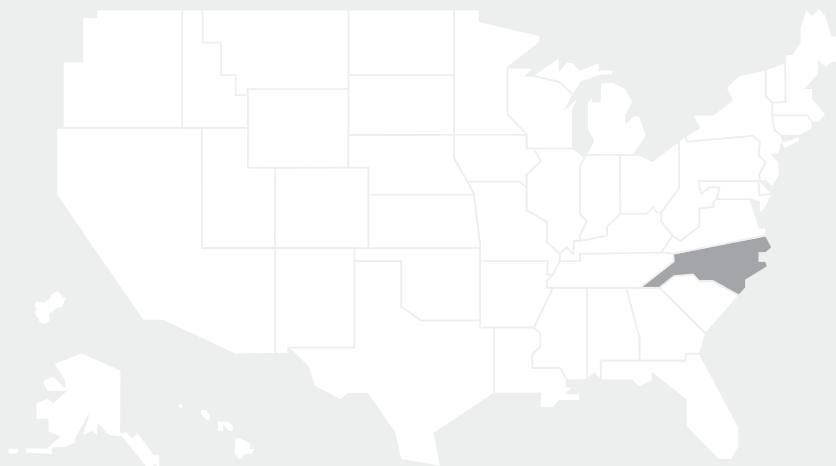


12

CAPITAL: RALEIGH  
LARGEST CITY: CHARLOTTE  
AREA: 53,819 SQ MILES

1789

Latitude: 33° 50' N to 36° 35' N  
Longitude: 75° 28' W to 84° 19' W



# NORTH CAROLINA

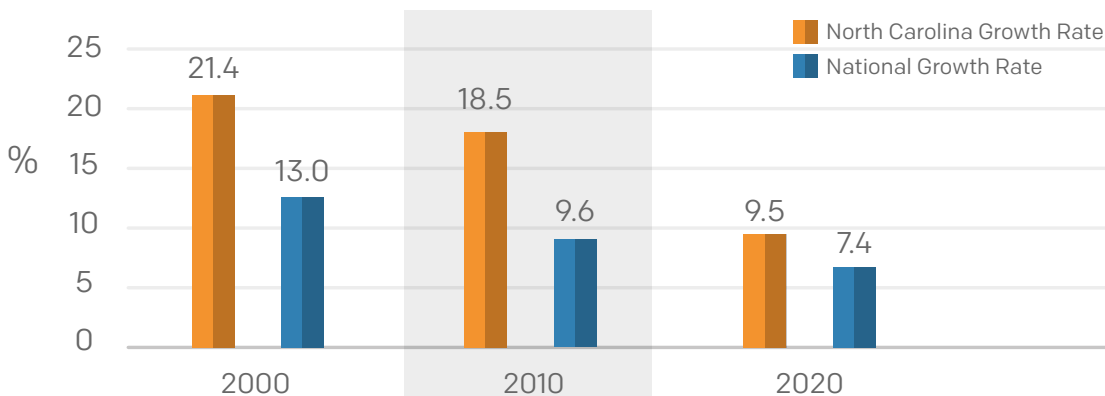
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event                | Date          | Forum  | FHLBank Atlanta Role           | Data and Information                                   |
|------------------------------|---------------|--|--------------------------------|--|
| Heirs' Property Presentation | June 10, 2021 | United Minority Contractors of NC Annual Meeting | Presentation by Arthur Fleming | 40 members attended, 2 MSOs represented, 1 AHAC member |

### POPULATION STATISTICS

From 2000 through 2020, North Carolina's population growth rate declined from 13 percent to 7.4 percent, showing a decline comparable with national averages. Significant population growth occurred in the southern and central regions of the state, with both Brunswick and Durham counties showing growth rates of over 15 percent. Since 2010, 53 of North Carolina's 100 counties have experienced population growth. Counties in the northeastern portion of the state, such as Tyrell, Hyde, and Washington counties, showed population declines of over 14 percent, the highest declines in the state over the same period. The six least populous counties in the state, all with populations less than 11,250, have experienced population decline since 2010. With a total population of roughly 10.4 million, North Carolina ranked ninth in the U.S. in size while its population growth rate ranked 16th.

#### NORTH CAROLINA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

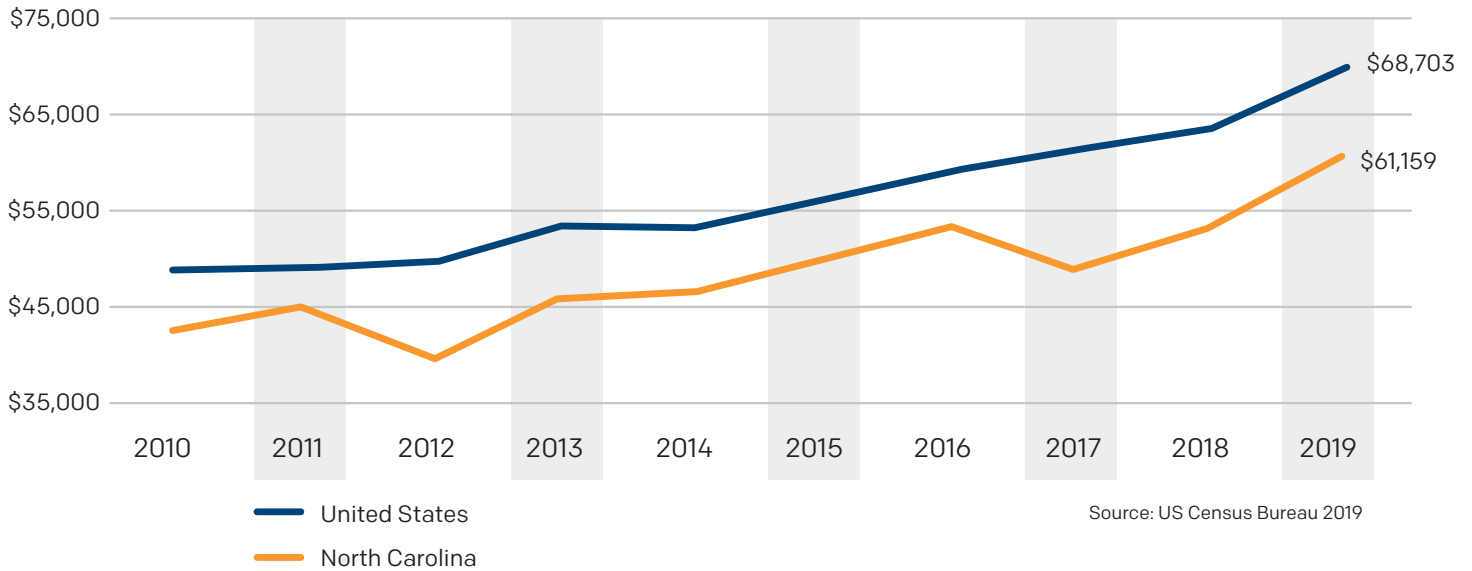


**KEY TAKEAWAY:** In 2020, the national population growth rate continued to decline, as did the population growth rate in North Carolina.

### INCOME AND POVERTY STATISTICS

In 2019, the median household income for North Carolina was over \$61,000, marking an increase of more than \$17,000 since 2010. Median household income in the United States grew at an almost identical rate over the same period, rising from roughly \$50,000 in 2010 to around \$69,000 in 2019 which is a 39 percent increase. Between 2018 and 2019, all counties in North Carolina saw increases in median income, with most seeing growth in the range of three to four percent. The counties that experienced high growth in median income were located in the northeastern portion of the state, such as Washington, Jones, and Northampton counties, which all grew by over six percent. Rural areas of the state in central and southern North Carolina saw the smallest growth in median income.

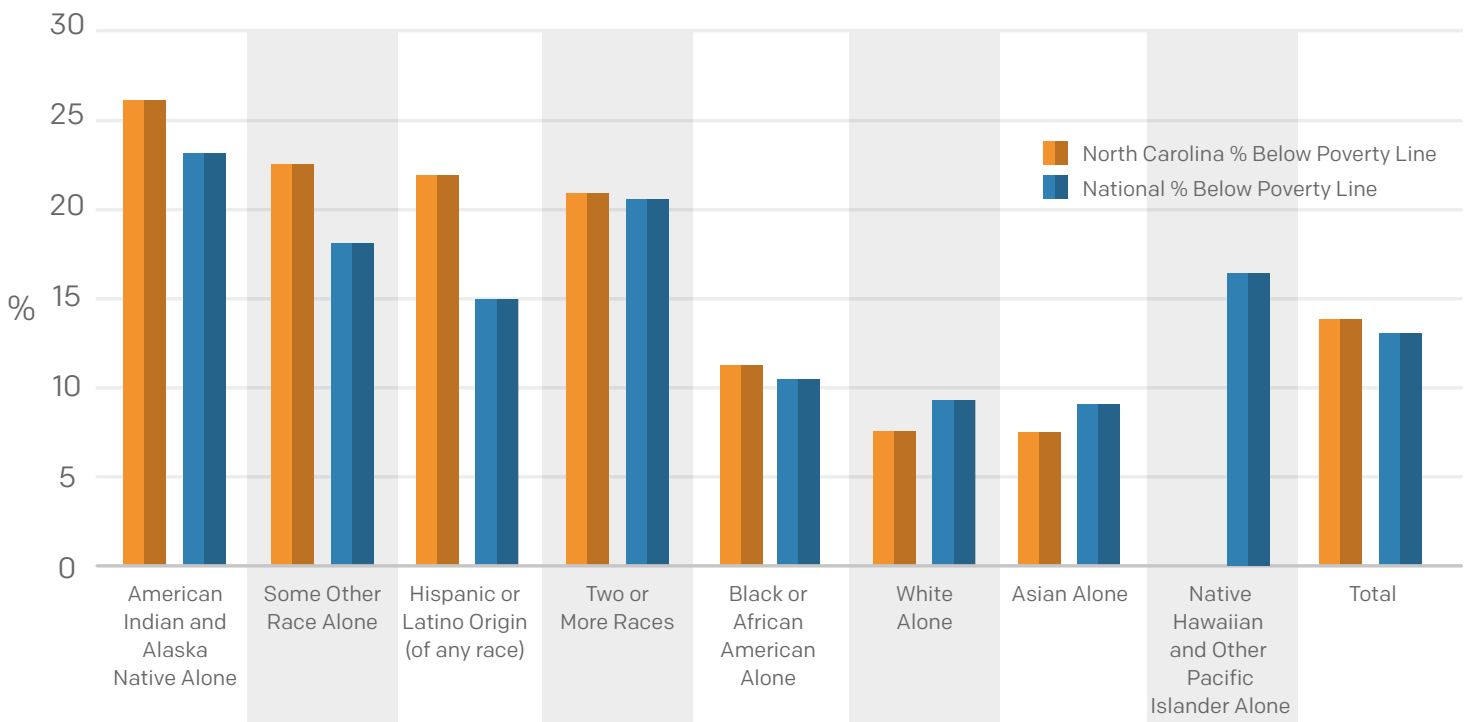
## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)



**KEY TAKEAWAY:** The median household income for the state of North Carolina in 2019 was \$61,159, which was 11 percent lower than the national median of \$68,703.

The total number of Black North Carolinians living in poverty (466,371) in 2019 was less than the total number of white residents (730,766) living below the poverty line. Metro areas around Raleigh and Durham, as well as coastal counties, tended to have lower populations, while rural areas in the eastern portion of the state had higher poverty rates.

## POVERTY BY ETHNICITY (Source: US Census Bureau 2019)





**KEY TAKEAWAY:** In 2019, Black North Carolinians were twice as likely to live in poverty than white North Carolinians (21.5 percent vs. 10.5 percent)

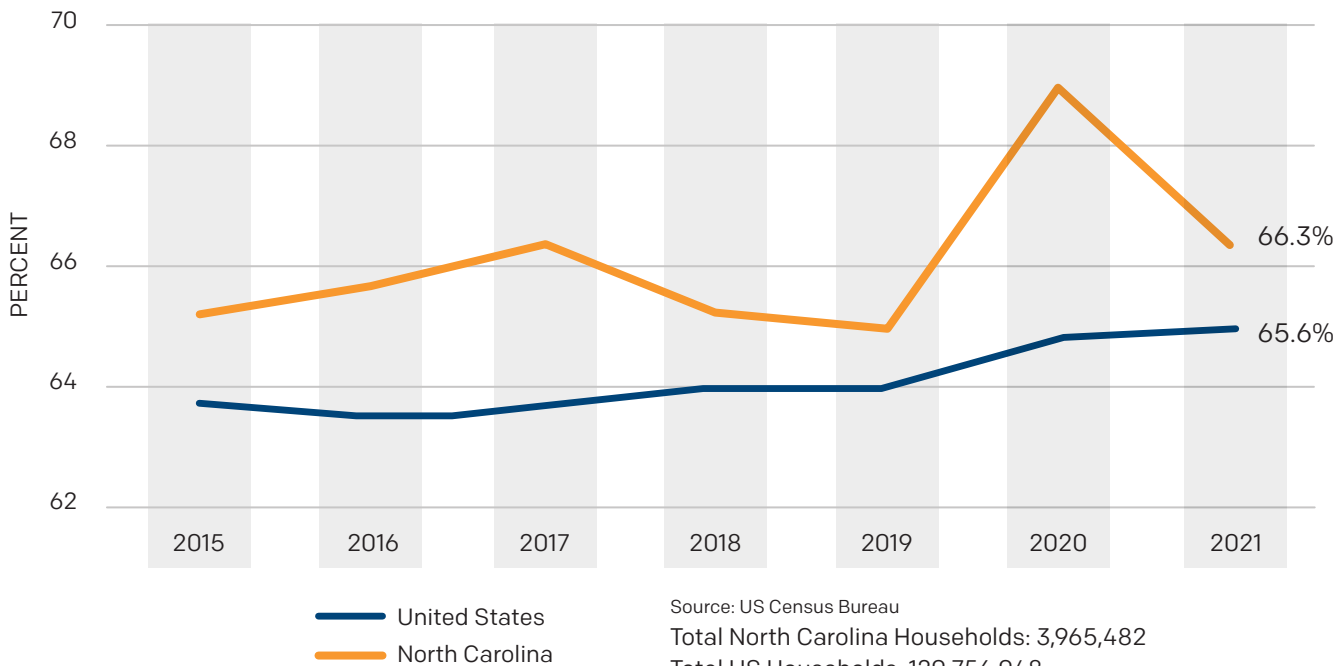


**KEY TAKEAWAY:** In 2019, an estimated 13.6 percent of North Carolinians lived below the federal poverty line.

## HOUSING STATISTICS

North Carolina ranks 33rd in the nation for homeownership and is near the midpoint for the states in FHLBank Atlanta's district.

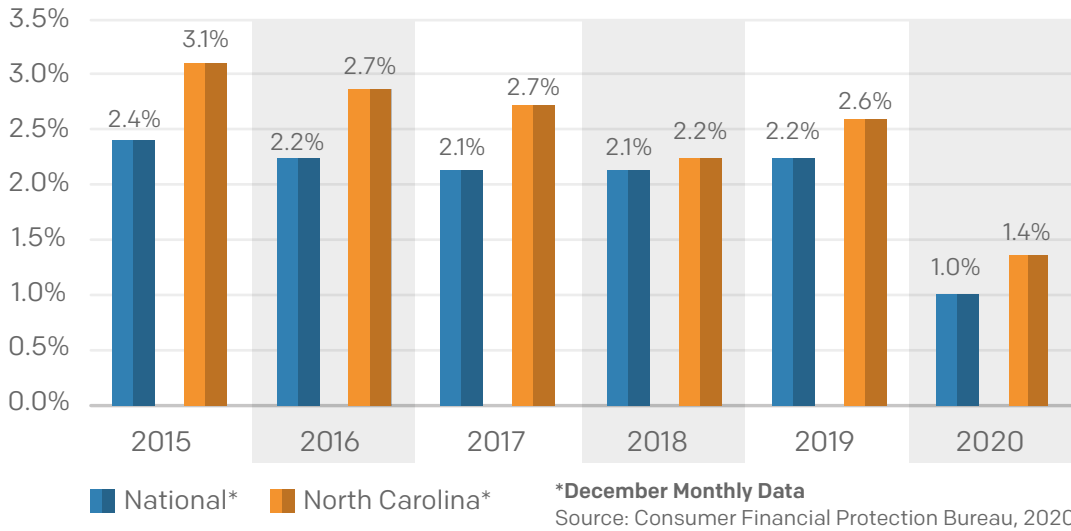
### HOMEOWNERSHIP RATE



**KEY TAKEAWAY:** The homeownership rate in North Carolina has remained higher than the national average over the past several years, currently standing at roughly 66.3 percent, while the national average stands just above 65 percent. The growth rate of homeownership in North Carolina has declined over the past year slightly, when it peaked at 68.7 percent in 2020.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.

## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



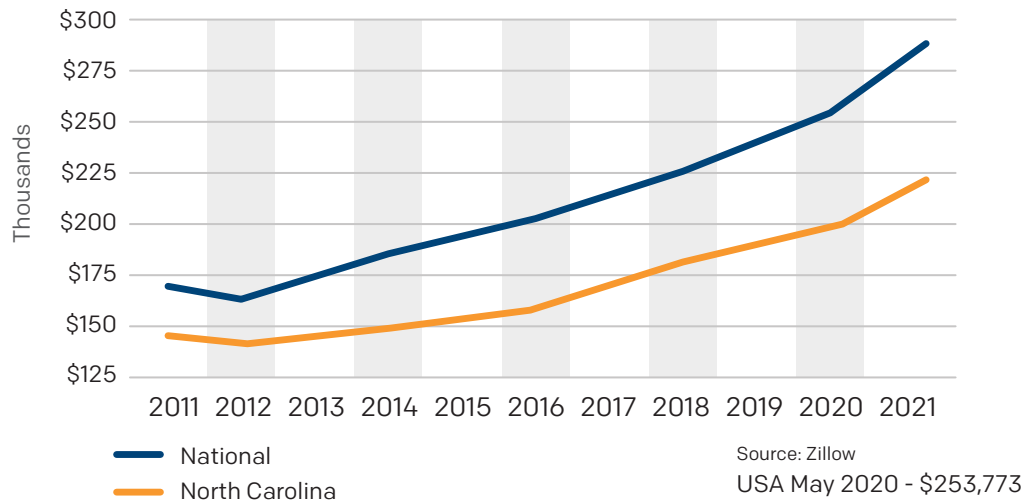
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower nationally and in North Carolina as of December 2020 than it had been in prior years, this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, many consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency. ATTOM Data Solution's 2021 mid-year report on foreclosure rate ranked North Carolina 21st, with a foreclosure rate of less than one percent. Over the first six months of 2021, the foreclosure rate in North Carolina decreased 67.9 percent compared to the first six months of 2020. However, compared to the fourth quarter of 2020, North Carolina saw an increase in foreclosures of 15 percent in the first quarter of 2021, the third highest in the nation.

According to data from Zillow, the median home price in North Carolina has steadily increased in recent years, lagging slightly behind national increases. Both nationally and in North Carolina, the increase in 2021 has been dramatic, with North Carolina increasing by over \$22 million or 11 percent and home prices nationally increasing \$33 million or 13 percent.

## MEDIAN HOME PRICES, 2011-2021

NORTH CAROLINA MAY 2020 - \$198,363  
NORTH CAROLINA MAY 2021 - \$220,940

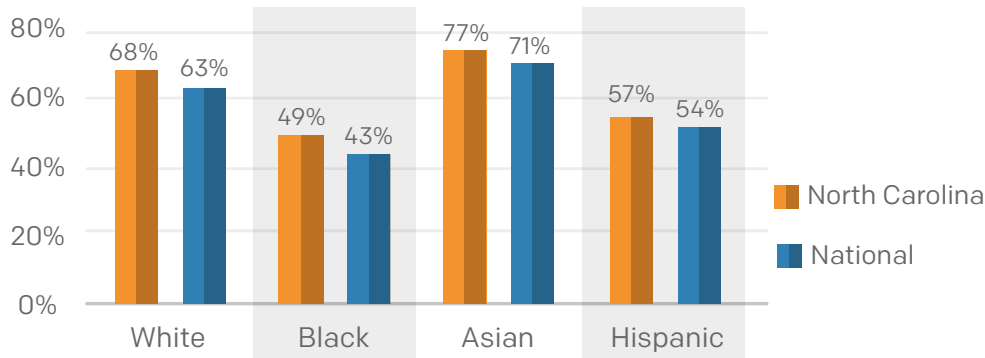


**KEY TAKEAWAY:** Home prices in North Carolina remain materially lower than the national average but did experience a similar increase during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

## SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors)



Total North Carolina Households: White: 2,876,249, Black: 866,530, Asian: 97,351, Hispanic: 262,793



**KEY TAKEAWAY:** In North Carolina, households are slightly more able to find an affordable home than in many other parts of the country, almost equally across all demographics. Black households still lag other racial/ethnic groups with less than half able to afford a typical home.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in North Carolina.

### FACTS ABOUT NORTH CAROLINA:

#28\*

In **North Carolina**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$919**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$3,063** monthly or **\$36,751** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$17.67**  
PER HOUR  
STATE HOUSING  
WAGE

**97**

Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**82**

Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.4**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**2**

Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

#### STATE FACTS

**\$7.25**  
MINIMUM  
WAGE

**\$15.92**  
AVERAGE  
RENTER  
WAGE

**\$17.67**  
2-BEDROOM  
HOUSING  
WAGE

**1,369,892**  
NUMBER OF  
RENTER  
HOUSEHOLDS

**35%**  
PERCENT  
RENTERS

#### MOST EXPENSIVE AREAS

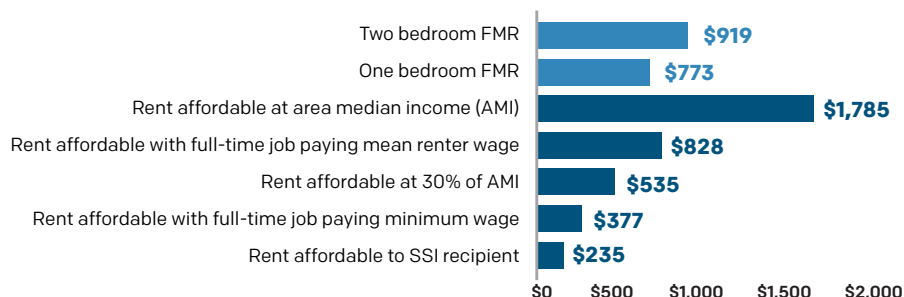
**\$24.13**  
ASHEVILLE  
HMFA

**\$22.37**  
RALEIGH  
MSA

**\$21.85**  
CURRITUCK  
COUNTY

**\$20.92**  
DURHAM  
CHAPEL HILL HMFA

**\$20.63**  
CAMDEN  
COUNTY



MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

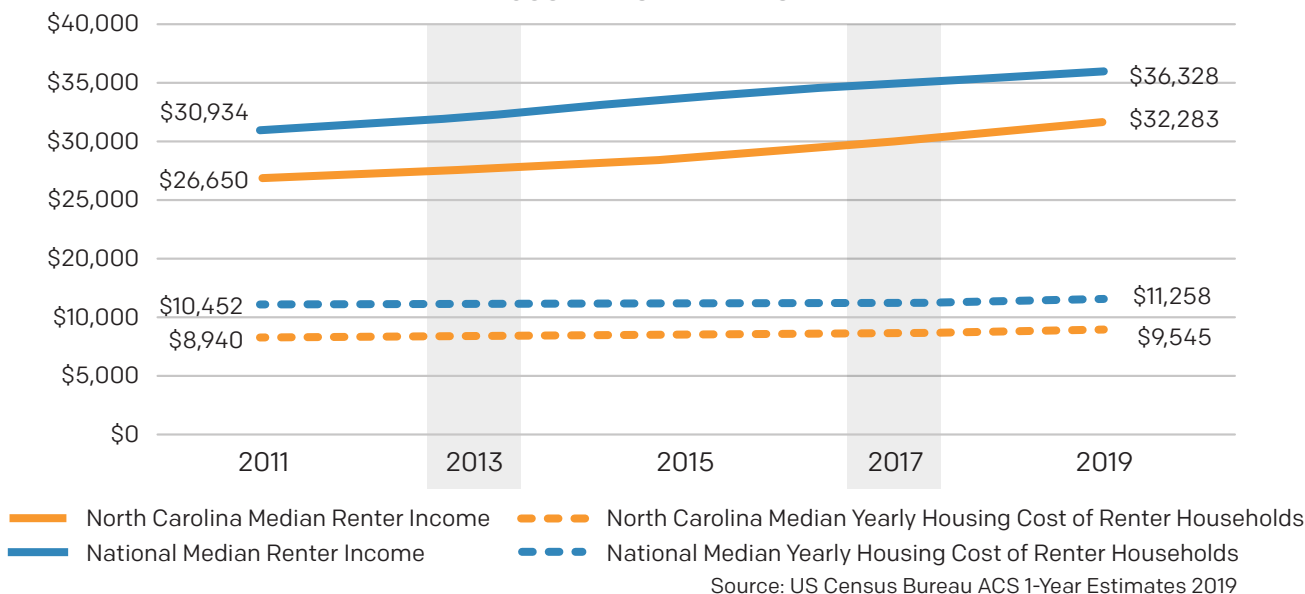
\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

OUT OF REACH 2020 | National Low Income Housing Coalition

These numbers have not changed much from the prior year, but the picture is still one of severe burden for many North Carolina residents who cannot afford housing if they are working for minimum wage, even with more than two full-time earners contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in North Carolina experienced a growth in income that exceeded the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was 21 percent while the growth in rental housing costs was only seven percent over the same period. Nationally both rental housing costs and median incomes saw increases, but over the same time period North Carolina experienced a slightly lower rate of growth in housing costs compared to the national average of eight percent, and a higher rate of median income growth than the national average of 17 percent.

### MEDIAN RENTER INCOME vs. HOUSING COSTS ADJUSTED FOR INFLATION

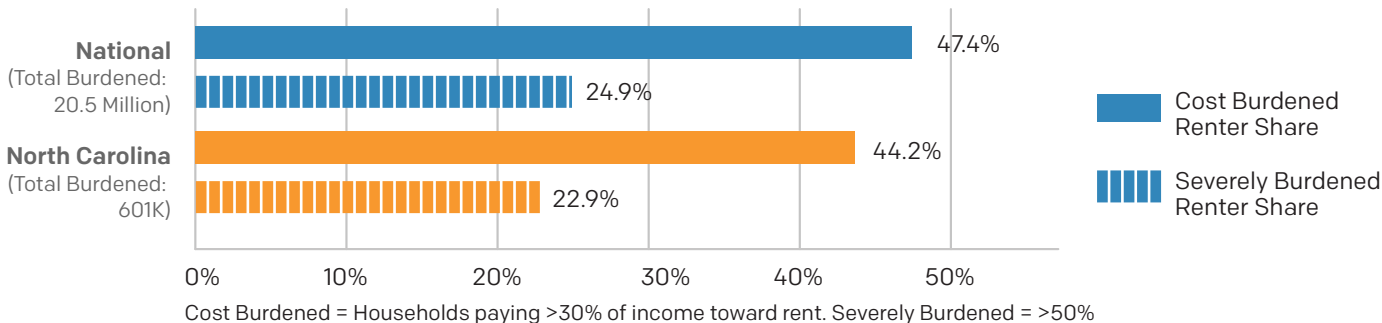


**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in North Carolina moved up modestly over the last decade while housing costs changed even less, consistent with the national trend over the same period.

Across North Carolina, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

### COST BURDENED RENTER SHARE

SOURCE: HARVARD UNIVERSITY JCHS, 2019



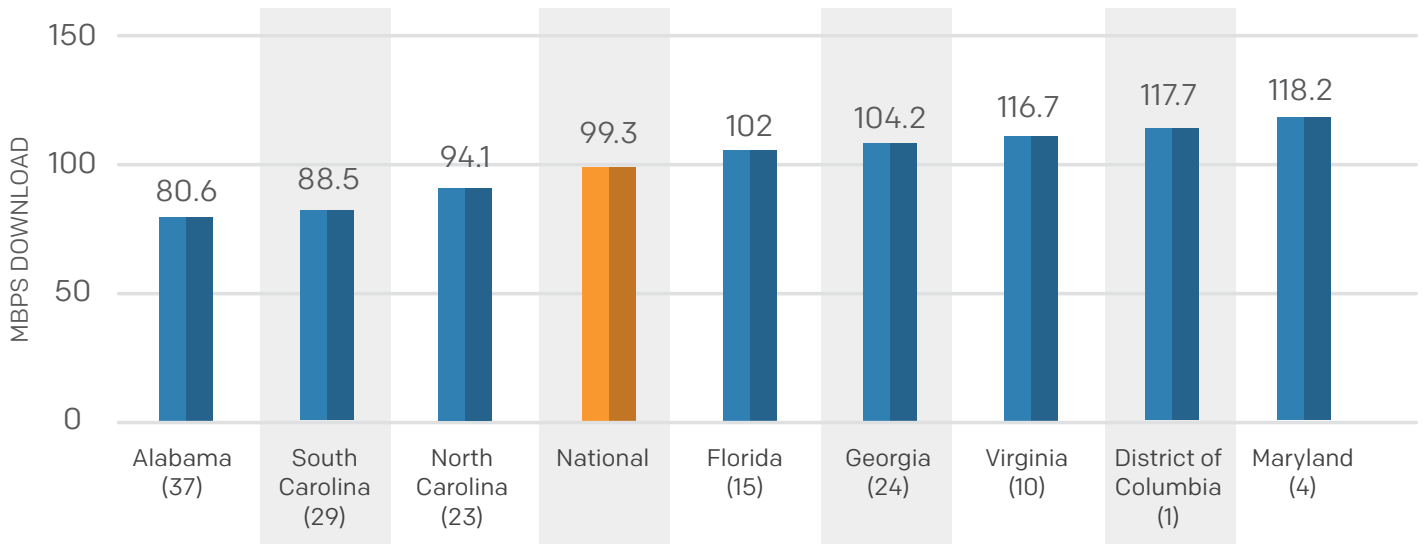
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in North Carolina is only slightly better than the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, in 2021 North Carolina ranked 23rd in the country in terms of accessibility to broadband technology, and is on the lower end of the spectrum when it comes to broadband speed, with a 94.1 MBPS download speed as of 2021, which is below the national average of 99.3 MBPS. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization's primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** North Carolina has slower broadband speeds and ranks lower when compared to other parts of the country.





## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the Bank's district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank's district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### NORTH CAROLINA, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total North Carolina MDIs               | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 2    | 2    | 2    | 2    | 2    | 2    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 1    | 1    | 1    | 1    | 1    | 1    |
| Hispanic American                       |      |      |      |      |      |      |
| Asian or Pacific Islander American      |      |      |      |      |      |      |
| Native American Alaskan Native American | 1    | 1    | 1    | 1    | 1    | 1    |



**KEY TAKEAWAY:** The number of MDIs within North Carolina has been stable at two institutions since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization                                 | Category    |
|----|--|-------------|
| 1  | 100 Black Men of Greater Charlotte, Inc.             | Other       |
| 2  | Bennett College - Greensboro                         | HBCU        |
| 3  | Compass Center for Women and Families                | Other       |
| 4  | Elizabeth City State University - Elizabeth City     | HBCU        |
| 5  | Fayetteville State University - Fayetteville         | HBCU        |
| 6  | Hispanic League                                      | Business    |
| 7  | INROADS  | Education   |
| 8  | Johnson C. Smith University - Charlotte              | HBCU        |
| 9  | Livingston College - Salisbury                       | HBCU        |
| 10 | National Association of Hispanic Nurses              | Health Care |
| 11 | NC Institute for Minority Economic Development       | Education   |
| 12 | North Carolina A&T State University - Greensboro     | HBCU        |
| 13 | NC Institute of Minority Economic Development        | Government  |
| 14 | Resources for Women Business Owners                  | Other       |
| 15 | Shaw University - Raleigh                            | HBCU        |
| 16 | St. Augustine's University - Raleigh                 | HBCU        |
| 17 | United Minority Contractors of NC (chapter)          | Builders    |
| 18 | United Minority Contractors of NC (corporate office) | Builders    |
| 19 | Urban Financial Services Coalition                   | Banking     |
| 20 | Winston - Salem State University - Winston Salem     | HBCU        |



**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

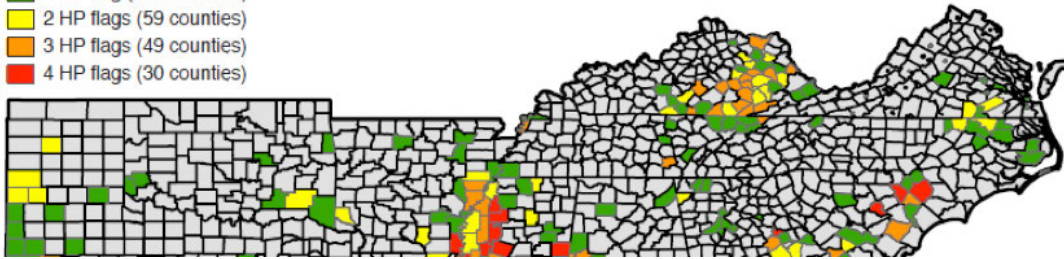
Nationally, and with even higher incidence in the Southern Black Belt that includes North Carolina, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair.

A study of data available through the United States Department of Agriculture (USDA) Forest Service Southern Region was conducted by researchers with the University of Georgia's Carl Vinson Institute of Government in September 2017. The focus of the study was to identify potential heirs' properties in the Southeastern U.S. using geographic information system methodology and mass appraisal data. The charts below were developed as part of that study and indicate several areas of potential heirs' properties in North Carolina.

### Phase 1 Heirs Property Analysis: Forest Service Southern Region

SVI Variables—90th percentile at regional scale for poverty, per capita income, no high school diploma, and minority status

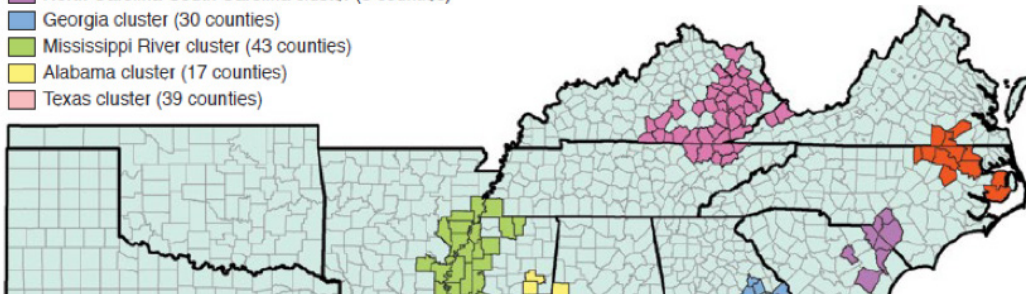
- 0 HP flags (1,051 counties)
- 1 HP flag (151 counties)
- 2 HP flags (59 counties)
- 3 HP flags (49 counties)
- 4 HP flags (30 counties)



### Phase 1 Heirs Property Analysis: Forest Service Southern Region

SVI Variables—90th percentile at regional scale for poverty, per capita income, no high school diploma, and minority status

- Virginia-North Carolina cluster (13 counties)
- Appalachian cluster (42 counties)
- North Carolina-South Carolina cluster (8 counties)
- Georgia cluster (30 counties)
- Mississippi River cluster (43 counties)
- Alabama cluster (17 counties)
- Texas cluster (39 counties)



**KEY TAKEAWAY:** North Carolina has a significant proportion of properties with tangled titles that deter wealth generation for impacted families.

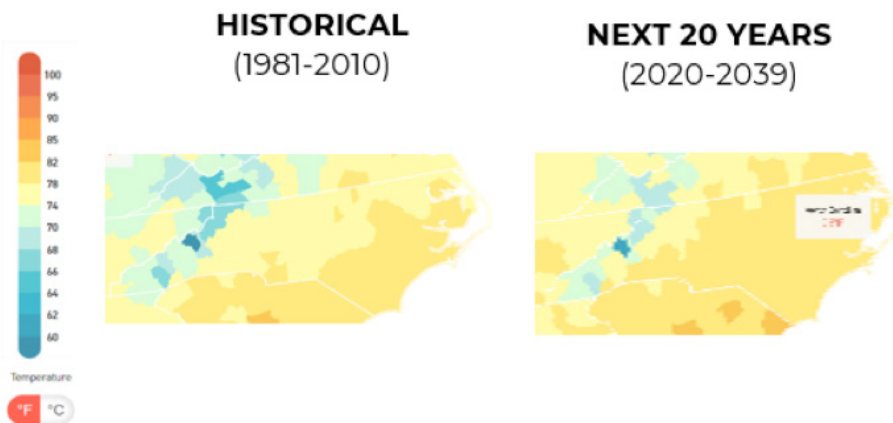
The counties identified during the study were in the 90th percentile for issues related to heirs' property – minority status, poverty, low per capita income, and low educational attainment. In North Carolina, these are partly correlated to tribal communities, as well as other commonalities. While this is valuable data, the study included more in depth research in areas outside of North Carolina, which further validated the existence of heirs' property using these variables as a tool. These detailed analyses indicate the value of property impacted is in the multi-millions of dollars, and of significant potential financial impact to each property owner.

## CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

Temperatures in North Carolina have increased by up to one degree in the last century, and while the Southeast has warmed less than other parts of the country, the increased temperatures will impact the state in a number of ways. Changes in climate can impact crops yields as well as livestock, not to mention the increased risk of heat stroke and related illnesses for residents. There is also a rise in sea level along the coast of North Carolina, where the water levels are higher by one inch every decade, and the land level is sinking.

Higher sea water levels lead to beach erosion along the coastal areas of the state, submerging lowland and wetland areas, increasing flooding, and intruding into aquifers and estuaries where changes in salinity could cause other issues. Sea level rise is projected to be one to four feet over the next century. The lowest dry lands will likely submerge and become tidal wetland or open water. Existing wetlands along the Albemarle-Pamlico peninsula are likely to be submerged. Many species of birds and fish depend on coastal wetlands for their natural habitat and these animals in turn support larger animals and birds of prey. As salt water intrudes inland, changes to inland forest areas are likely as well. Pocosin swamps provide refuge for black bears and bobcats, while the wetlands along the Alligator River are the principal habitat for red wolves. Changing habitats could negatively impact all of these species and lead to other detrimental changes in the ecosystem along the coast.

The U.S. Geological Survey projects the Outer Banks between Nags Head and Ocracoke could be broken up or lost to erosion by 2100. General erosion of shore lines will threaten many coastal North Carolina towns unless protections are implemented. Storms have been intensifying over the past century, and increased wind speeds and rainfall rates are likely to impact roads, railways, ports, oil and gas facilities, and water supplies. Since 1958, the amount of precipitation in the Southeast has increased by 27 percent, leading to more severe flooding. Homeowners' insurance costs across the state are likely to increase as the impacts of coastal and inland flooding and storm damage are incorporated into policy prices. Increasing temperatures will drive demand for additional electricity in all areas, as there is more dependence on air-conditioning.



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery are a contributor to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.

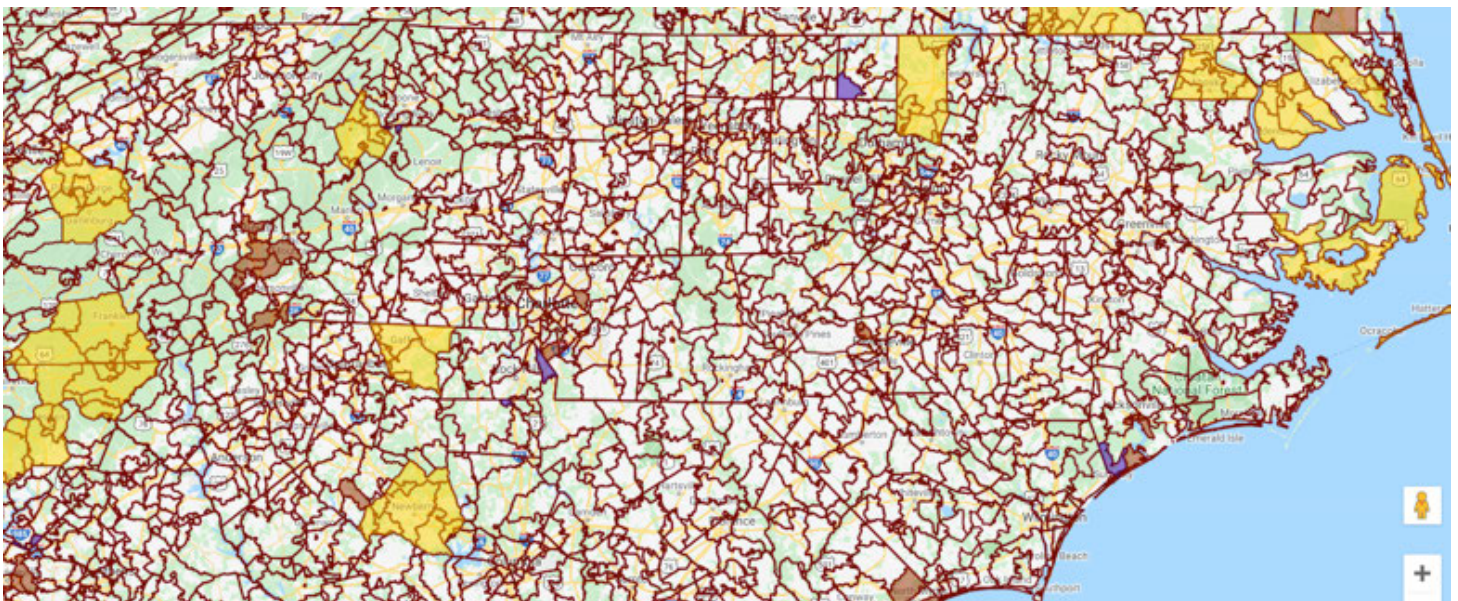


**KEY TAKEAWAY:** North Carolina residents may experience increased expenses and declines in median income related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.

## DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates a large segment of North Carolina that is impacted by DDA conditions.



**KEY TAKEAWAY:** Many areas within North Carolina are considered DDAs, representing a large portion of the geography in several markets.

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# SOUTH CAROLINA



*The Palmetto State*

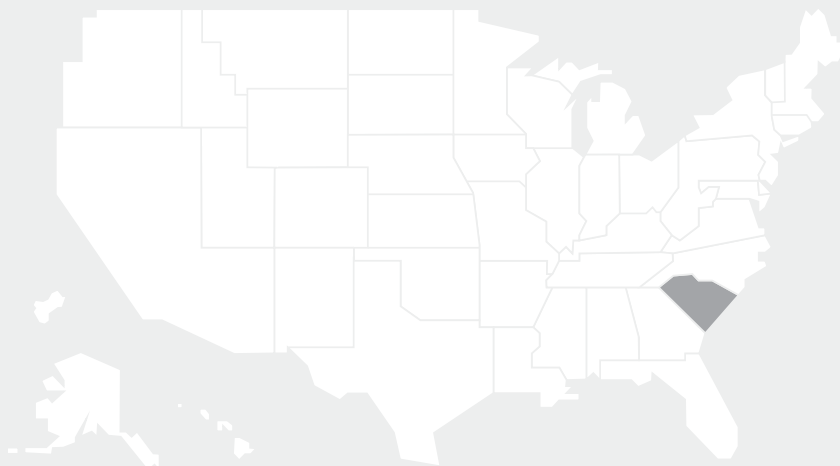


CAPITAL: COLUMBIA  
LARGEST CITY: CHARLESTON  
AREA: 32,030 SQ MILES

8

1788

Latitude: 32° 2' N to 35° 13' N  
Longitude: 78° 32' W to 83° 21' W



# SOUTH CAROLINA

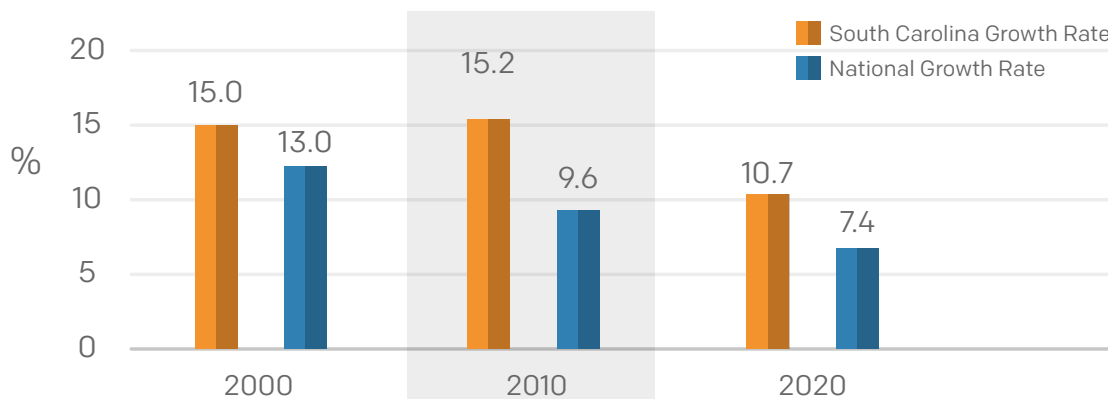
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event  | Date           | Forum  | FHLBank Atlanta Role                               | Data and Information                    |
|--|----------------|--|--|---|
| Affordable Housing Opportunities in South Carolina - Forum | March 23, 2021 | FDIC sponsored   | Presentation by Arthur Fleming and ShaDonte Butler | 37 attendees, one CDFI, one AHAC member |
| AHP General Fund Webinar                                   | April 6, 2021  | Meeting of South Carolina Association of Housing Authority Executive Directors | Host/Presentation by Joel Brockman                 | 19 participants, two AHAC members       |
| South Carolina Bankers Association Annual Meeting          | June 9, 2021   | 2021 Annual Meeting  | Daniel Williams, attendee                          |   |

### POPULATION STATISTICS

From 2000 through 2020, the population growth rate in South Carolina declined from 15.2 percent to 10.7 percent. South Carolina's highest population growth was seen in larger counties throughout the state, such as Horry, Berkeley, Jasper, and Charleston. South Carolina counties with fewer residents, such as Allendale, Bamberg, and Lee, experienced population decline greater than 12 percent over the same period. South Carolina's six counties with populations fewer than 20,000 experienced population decline. Horry County, the seat of Myrtle Beach and located in the southern part of the state, is the fourth most populous county and has experienced the most rapid growth rate, increasing 23.2 percent to a population of 333,268. With a total population of roughly 5.1 million, South Carolina ranked 23rd in the U.S. in size, while its population growth rate ranked 11th.

### SOUTH CAROLINA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

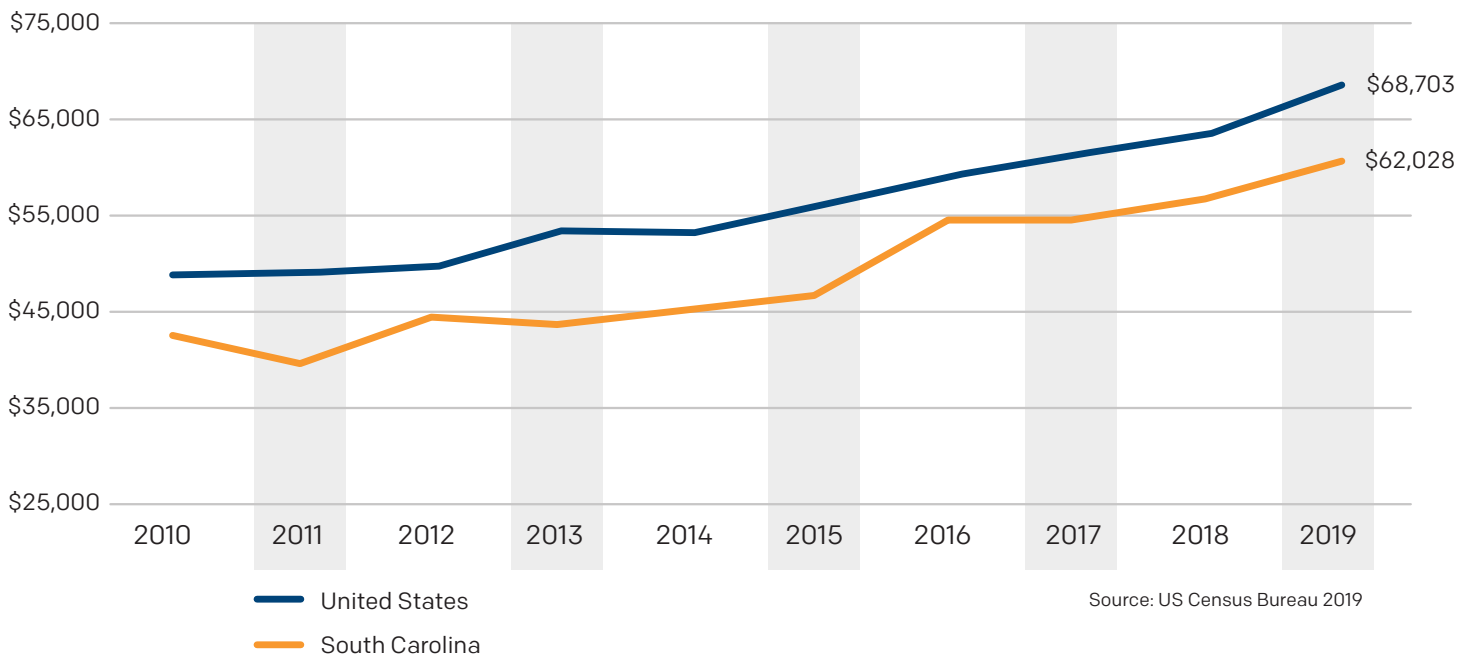


**KEY TAKEAWAY:** In 2020, the national population growth rate declined and South Carolina experienced a similar trend.

## INCOME AND POVERTY STATISTICS

In 2019, the median household income for South Carolina was over \$62,000, marking an increase of more than \$20,000 since 2010. Median household income in the United States grew at a slower rate over the same period, rising from roughly \$50,000 in 2010 to around \$69,000 in 2019. Between 2018 and 2019, all counties in South Carolina saw increases in median income, with most seeing growth of roughly four percent. The areas experiencing the highest rates of growth were located on the eastern side of the state, including Williamsburg, Darlan, and Dillon counties, which all saw income growth in the range of six to seven percent. On the other hand, counties in western South Carolina saw the lowest growth in median income, including McCormick, Laurens, and Greenville counties, which saw growth of roughly two percent.

### MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)



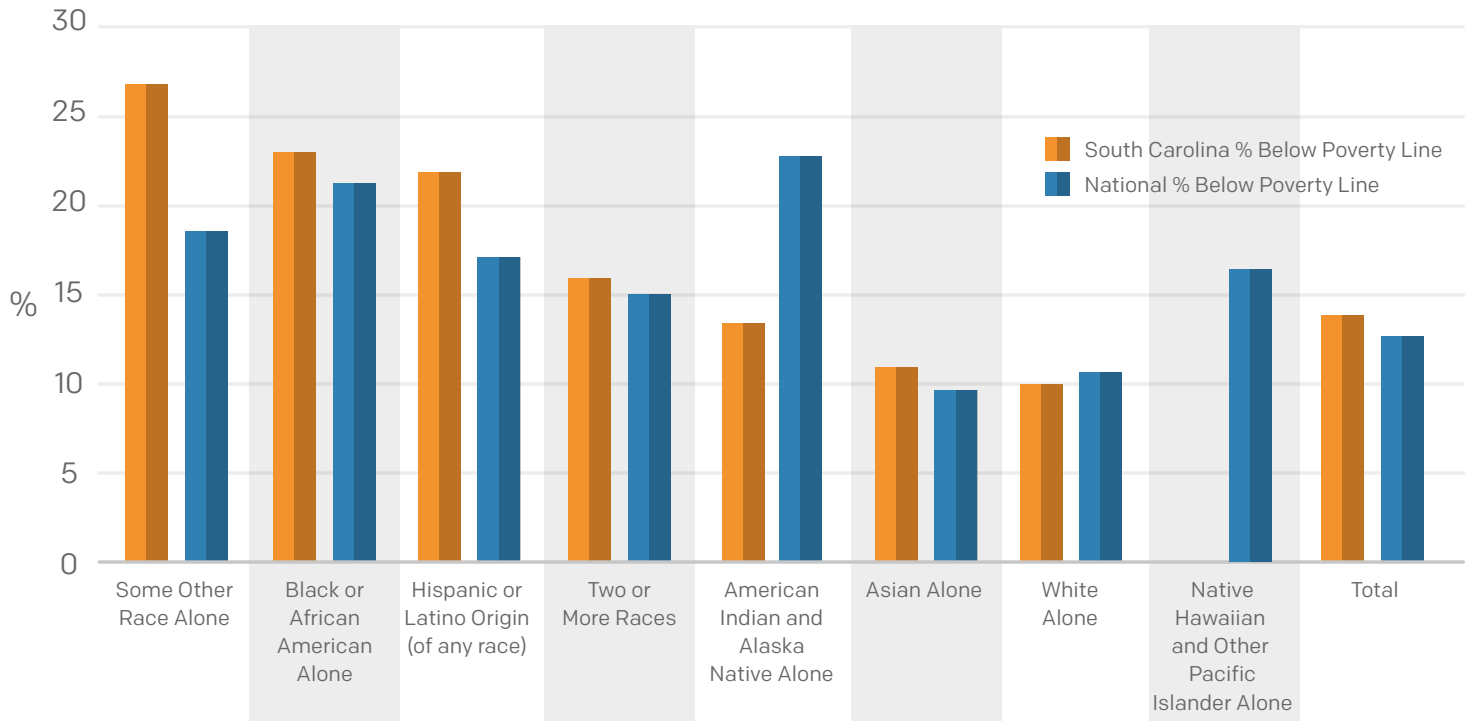
**KEY TAKEAWAY:** The median household income for the state of South Carolina in 2019 was \$62,028, which was 10 percent lower than the national median of \$68,703.



The total number of Black South Carolinians living in poverty (304,647) was less than the total number of white residents living below the poverty line in 2019 (326,589). However, all minorities were more likely to live in poverty in South Carolina in 2019. Areas with higher minority populations tended to have higher poverty rates, while the Charleston metro area had the lowest.

### POVERTY BY ETHNICITY

(Source: US Census Bureau 2019)



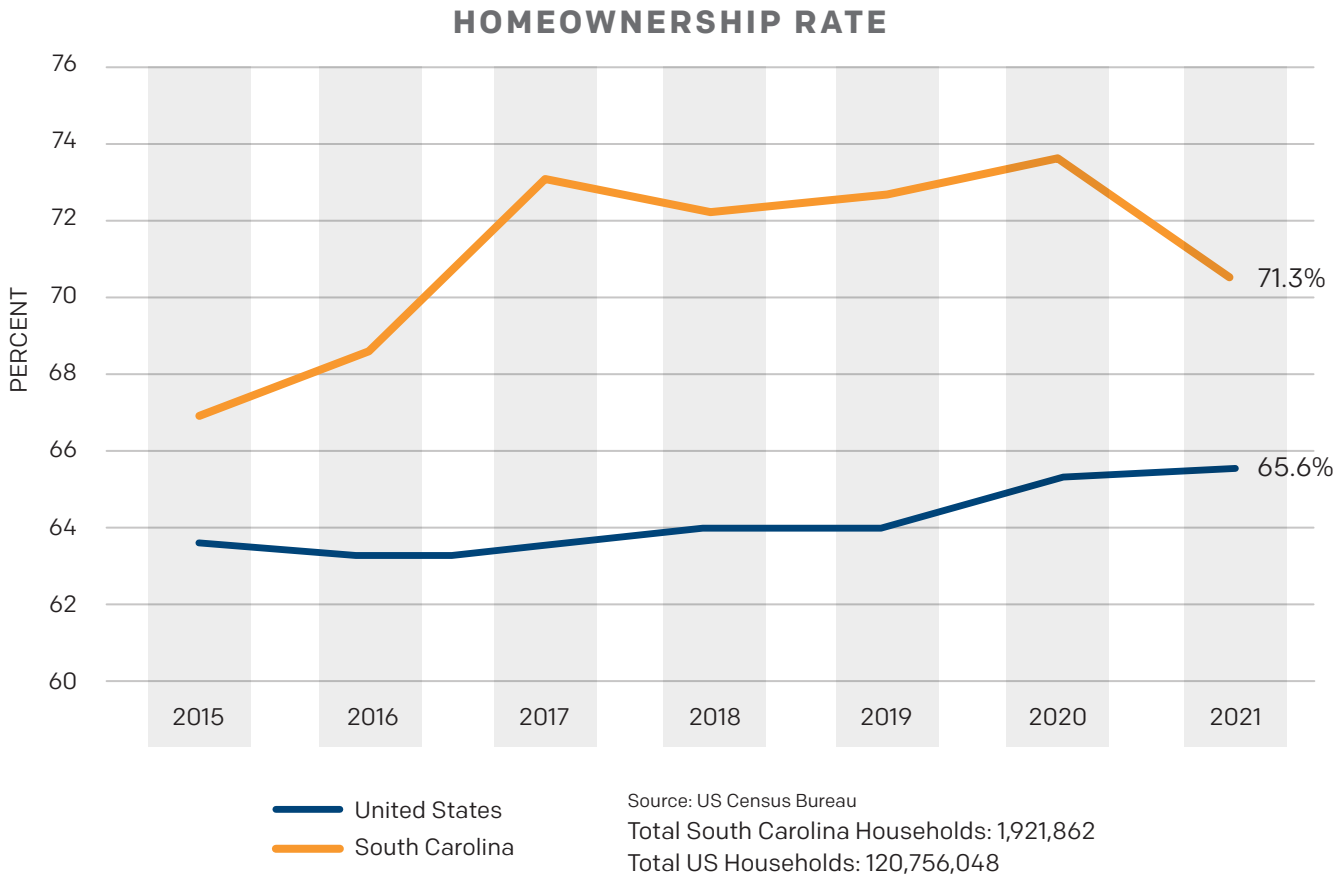
**KEY TAKEAWAY:** Black South Carolinians were more than twice as likely to live in poverty as compared to white residents (23.1 percent vs. 9.8 percent).



**KEY TAKEAWAY:** In 2019, an estimated 13.8 percent of South Carolinians lived below the federal poverty line.

## HOUSING STATISTICS

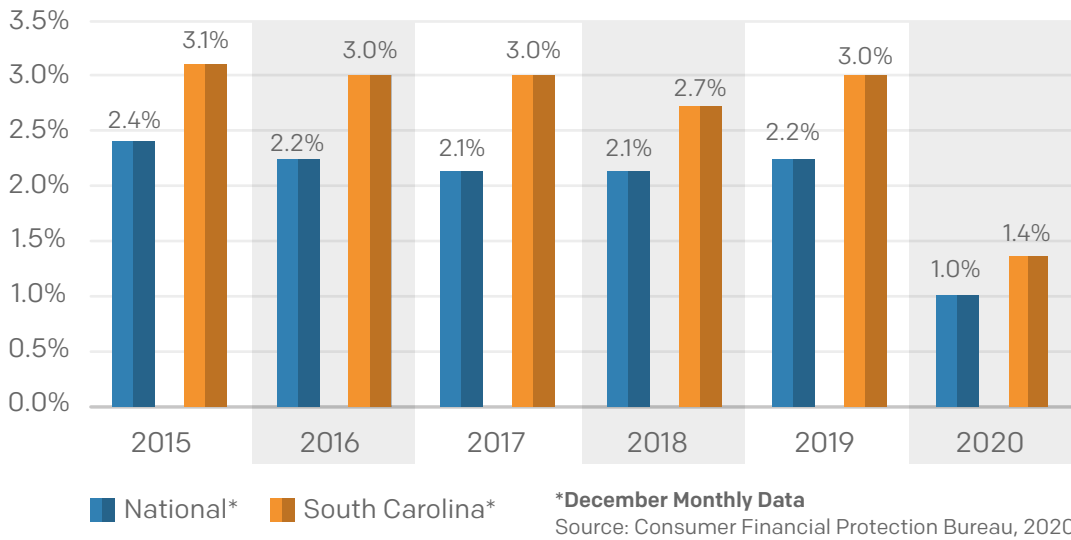
South Carolina ranks 14th in the nation for homeownership and is the second highest in FHLBank Atlanta's district.



**KEY TAKEAWAY:** The growth rate of homeownership in South Carolina has lagged behind the growth rate nationally by 2.5 percent over the past year.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.

## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



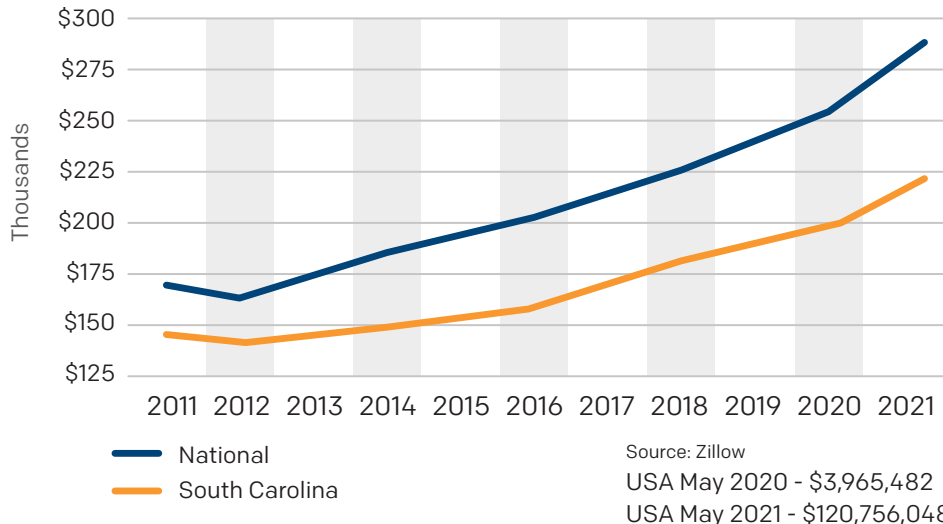
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower nationally and in South Carolina as of December 2020 than it had been in prior years, some of this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, many consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency. ATTOM Data Solution's 2021 mid-year report on foreclosure activity listed South Carolina as the eighth highest foreclosure rate in the nation (less than one percent). The city of Florence ranked as the fifth highest metro area with respect to foreclosure rate (0.12 percent).

According to data from Zillow, the median home price in South Carolina has steadily increased in recent years. In the current environment, South Carolina and the Southeast region in general are likely experiencing pandemic-related upward pressure on prices as the interest in year-round living and relative affordability are encouraging buyers from northern markets to relocate south.

## MEDIAN HOME PRICES, 2011-2021

SOUTH CAROLINA MAY 2020 - \$198,363  
SOUTH CAROLINA MAY 2021 - \$220,940

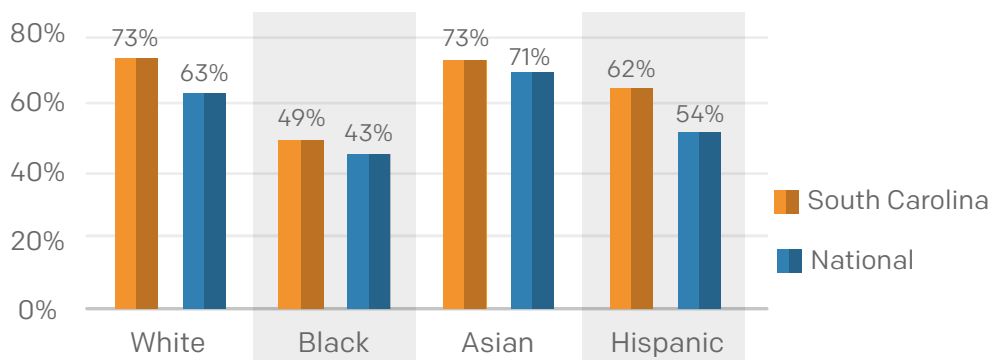


**KEY TAKEAWAY:** Home prices in South Carolina continue to be lower than the national average and did experience increases during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

## SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors)



Total South Carolina Households: White: 1,376,377, Black: 510,279, Asian: 77,312, Hispanic: 27,436



**KEY TAKEAWAY:** In South Carolina, households are more able to find an affordable home than in many other parts of the country, with only Black households able to find affordable housing at a rate below 50 percent.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in South Carolina.

### FACTS ABOUT SOUTH CAROLINA:

#31\*

In **South Carolina**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$900**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$2,999** monthly or **\$35,984** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$17.30**  
PER HOUR  
STATE HOUSING  
WAGE

**95** Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**82** Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**2.4** Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**2** Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

#### STATE FACTS

**\$7.25**  
MINIMUM  
WAGE

**\$13.52**  
AVERAGE  
RENTER  
WAGE

**\$17.30**  
2-BEDROOM  
HOUSING  
WAGE

**589,362**  
NUMBER OF  
RENTER  
HOUSEHOLDS

**31%**  
PERCENT  
RENTERS

#### MOST EXPENSIVE AREAS

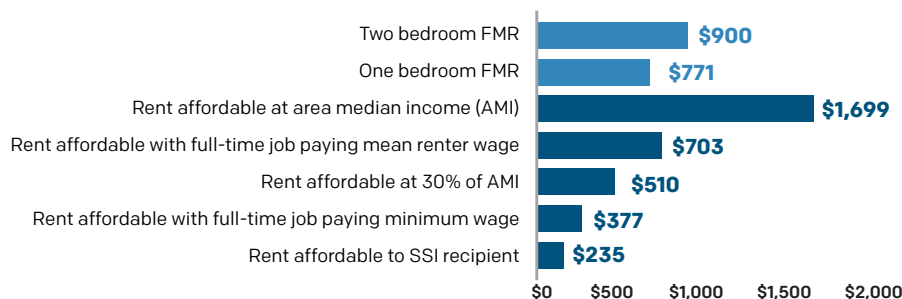
**\$22.67**  
CHARLESTON  
NORTH CHARLESTON MSA

**\$20.44**  
YORK  
COUNTY

**\$19.77**  
BEAUFORT  
COUNTY

**\$19.17**  
MYRTLE BEACH-NORTH  
MYRTLE BEACH COUNTY HMFA

**\$17.90**  
COLUMBIA  
HMFA



MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

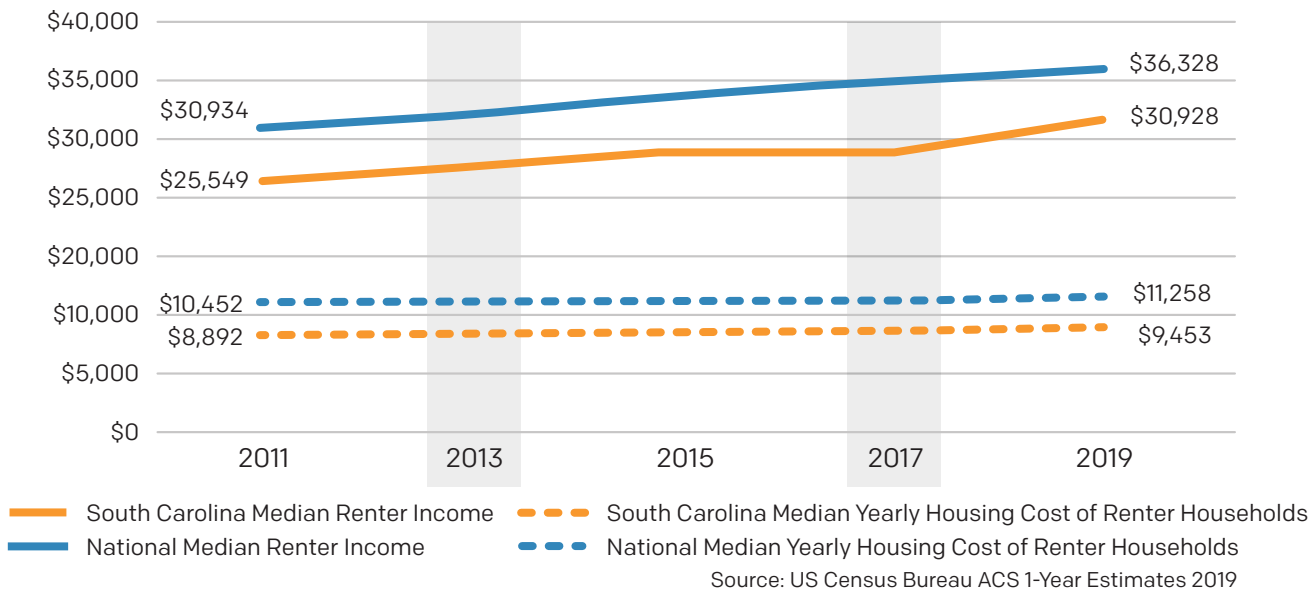
\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

OUT OF REACH 2020 | National Low Income Housing Coalition

These numbers have not changed from the prior year, and the picture is still one of severe burden for many South Carolina residents who cannot afford housing if they are working for minimum wage, even with two full-time earners contributing to the rent payment.

However, according to U.S. Census data through 2019, the renter at median income in South Carolina experienced a growth in income that outpaced the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was 21 percent while the growth in rental housing costs was only six percent over that same period.

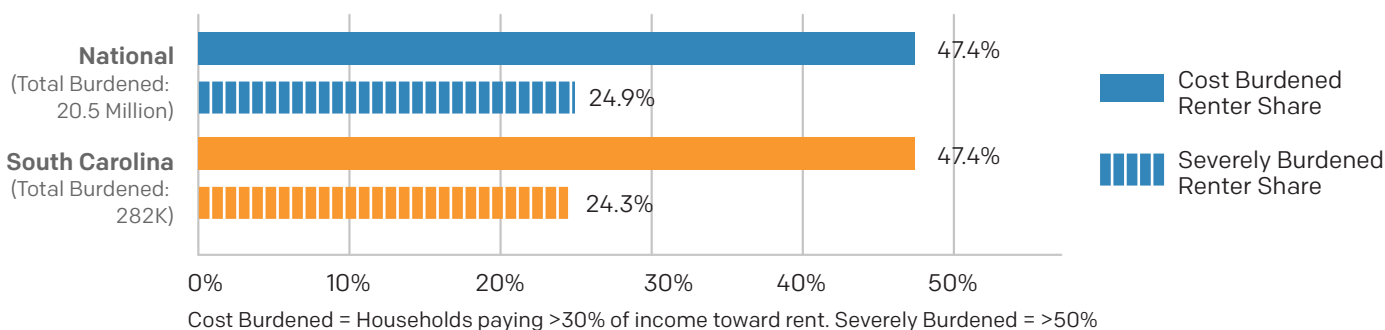
### MEDIAN RENTER INCOME vs. HOUSING COSTS ADJUSTED FOR INFLATION



**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in South Carolina moved up modestly in 2019 while housing costs remained relatively stable.

Across South Carolina, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

### COST BURDENED RENTER SHARE SOURCE: HARVARD UNIVERSITY JCHS, 2019



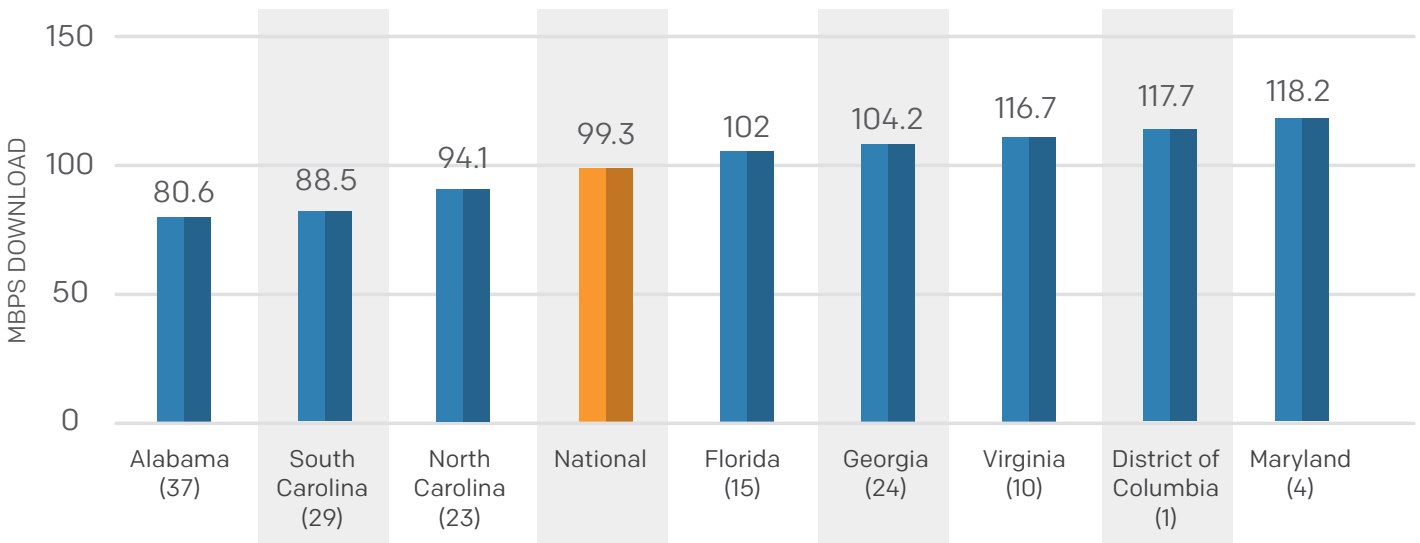
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in South Carolina is consistent with the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, in 2021 South Carolina ranked 29th in the country in terms of investment in broadband technology, and next-to-last in almost every statistical category within the district for coverage, access, and speed and performance. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization's primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** South Carolina has slower broadband speeds and ranks poorly when compared to other parts of the country.



## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the Bank's district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank's district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve.

### SOUTH CAROLINA, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total South Carolina MDIs               | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 1    | 1    | 1    | 1    | 1    | 1    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 1    | 1    | 1    | 1    | 1    | 1    |
| Hispanic American                       |      |      |      |      |      |      |
| Asian or Pacific Islander American      |      |      |      |      |      |      |
| Native American Alaskan Native American |      |      |      |      |      |      |



**KEY TAKEAWAY:** The number of MDIs within South Carolina has remained constant at one institution since 2015.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization  | Category   |
|----|---|------------|
| 1  | Allen University - Columbia                                 | HBCU       |
| 2  | Benedict College - Columbia                                 | HBCU       |
| 3  | Clafin University - Orangeburg                              | HBCU       |
| 4  | Clinton College - Rock Hill                                 | HBCU       |
| 5  | Hispanic Alliance   | Government |
| 6  | Independent Banks of South Carolina                         | Banking    |
| 7  | Minority Economic Development Institute, Inc.               | Government |
| 8  | Morris College - Sumter                                     | HBCU       |
| 9  | National Association of Minority Contractors South Carolina | Builders   |
| 10 | South Carolina Commission for Minority Affairs              | Government |
| 11 | South Carolina State University - Orangeburg                | HBCU       |
| 12 | Voorhees College - Denmark                                  | HBCU       |



**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt that includes South Carolina, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair.

A study of data available through the United States Department of Agriculture (USDA) Forest Service Southern Region was conducted by researchers with the University of Georgia's Carl Vinson Institute of Government in September 2017. The focus of the study was to identify potential heirs' properties in the Southeast using geographic information system methodology and mass appraisal data. The graphic below was developed as part of that study and shows counties scattered throughout South Carolina with a high level of potential heirs' property.

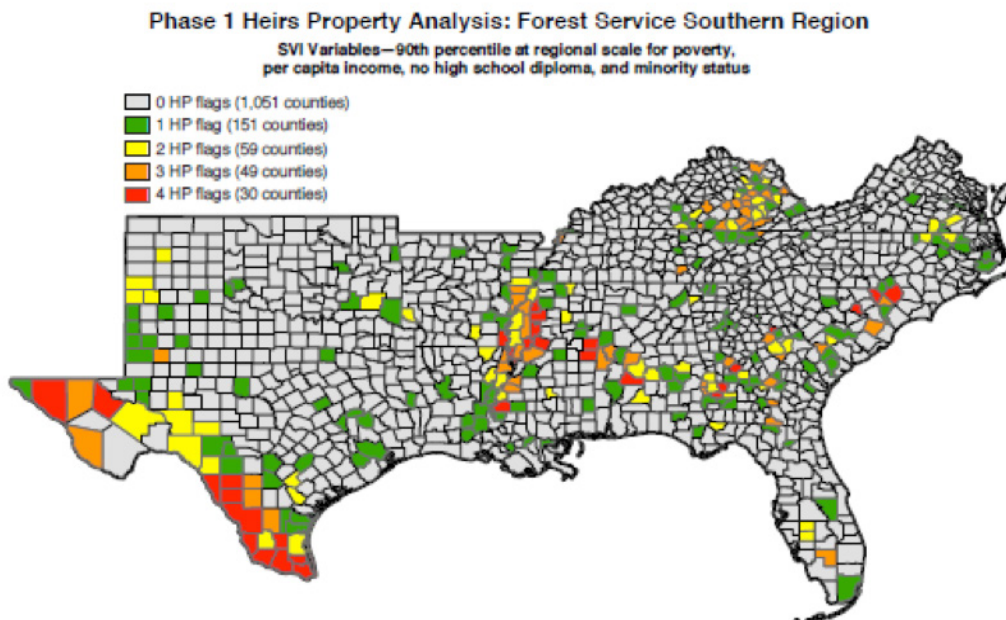


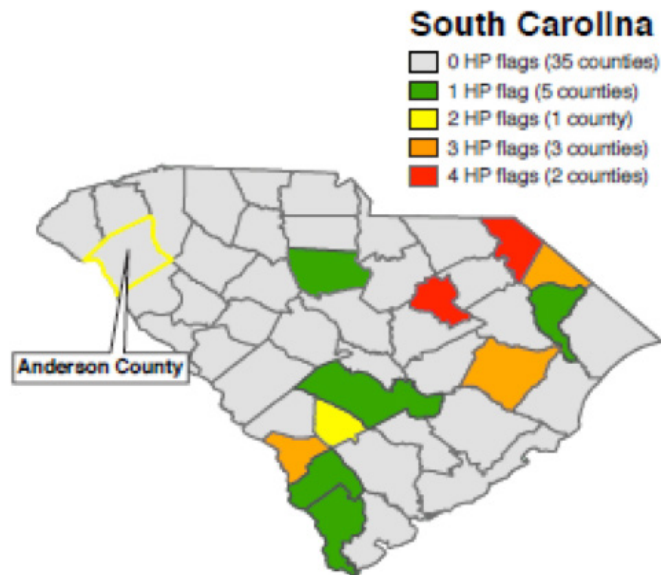
Figure 2—Results from the initial regional heirs property analysis. Using four demographic indicators, counties within the Southern Region were ranked on the likelihood that they contain heirs properties. Counties in red are believed to be the most likely to contain higher numbers of heirs properties.

The USDA report further analyzed Anderson County, concluding that nine percent of the parcels in this county were likely to be heirs' property with related title issues. Using overall property values in the county as an average, this represents \$74 million of property value that cannot be accessed by the owner families so long as the title issues remain unresolved. Poverty rates in Anderson County are also shown below. Clearly, the ability to access this value would significantly impact a large percentage of the population in the county, as 16 percent of the 193,000 residents live in poverty.



## Phase 1 Heirs Property Analysis

SVI Variables—90th percentile at regional scale for poverty, per capita income, no high school diploma, and minority status



| County                          | Population | Number or parcels | Potential heirs properties | Percent parcels potential heirs properties | Value         |
|---------------------------------|------------|-------------------|----------------------------|--|---------------|
| Anderson County, South Carolina | 192,810    | 108,414           | 9,529                      | 9%   | \$821,040,314 |

| County                          | Percent poverty | Per capita income | Percent low education | Percent minority | Percent parcels potential heirs properties |
|---------------------------------|-----------------|-------------------|-----------------------|------------------|--|
| Anderson County, South Carolina | 15.79%          | \$22,117          | 19.37%                | 21.25%           | 9%   |



**KEY TAKEAWAY:** South Carolina has a significant portion of property with tangled titles that deter wealth generation for impacted families.

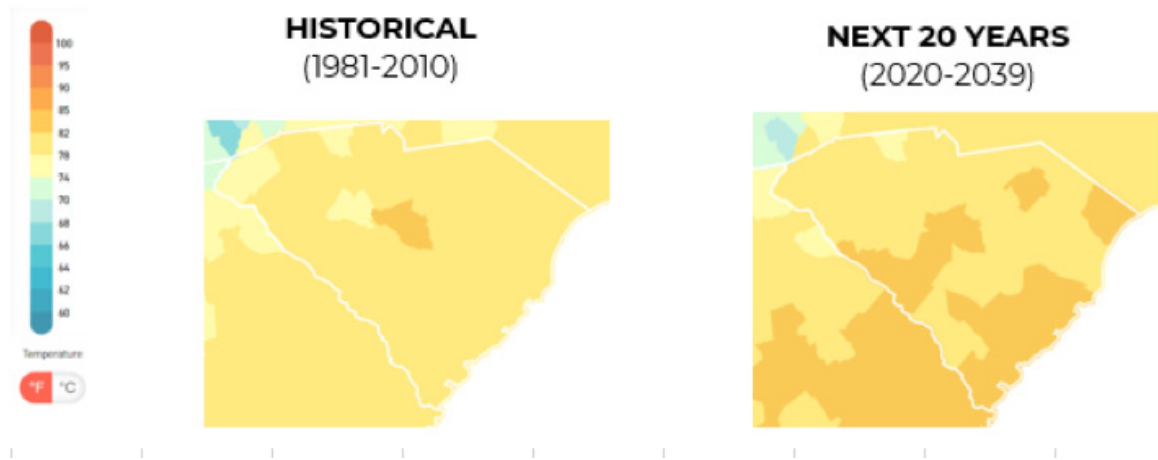
## CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

Sea levels are projected to rise along the South Carolina coast by one to four feet in the next century, which will lead to more coastal homes and infrastructure being impacted by storm surge. Already, the city of Charleston experiences street flooding on average 40 days a year, while 50 years ago the average was four days. A 2019 report by the National Oceanic and Atmospheric Association projected seven days of flooding due to tidal flooding in the city, without any additional rain or storm surge.

The sea level rise in South Carolina is exacerbated by the sinking of the land surface that is occurring. With a rise in sea level, the lowest dry lands will be submerged and will become tidal wetland or open water. Coastal wetlands in South Carolina currently provide habitat for clams, mussels, and other shellfish in the salt marsh areas, and also serve as nurseries for other fish and provide food for birds. As the sea level rises, the wetlands will not be able to migrate as quickly and as a result will convert to open water, negatively impacting the economic benefits of a food source and an attractive eco-tourism driver.

Rising sea levels will also lead to beach erosion and will make it more likely that storm waves will wash out barrier islands. Erosion may threaten homes throughout the coast and there is already evidence of the impact as trees along the beaches die when the ground around them erodes and becomes excessively impacted by sea water. Coastal residential areas and infrastructure will flood more frequently as storm surges become higher, which will result in increases to flood insurance and homeowner insurance policies. In addition to the sea level rising, continued increases in precipitation are anticipated, which will contribute to inland flooding. Since 1958, the amount of precipitation during heavy rainstorms has increased by 27 percent in the Southeast. Those living in low lying areas will face repeated damage to their homes and property.

## HISTORICAL AND PROJECTED TEMPERATURE FOR SOUTH CAROLINA



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery are a contributor to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option. Renters face additional barriers, are less likely to receive compensation due to federal aid minimums, and are likely to face higher rents with limited supply available to them.

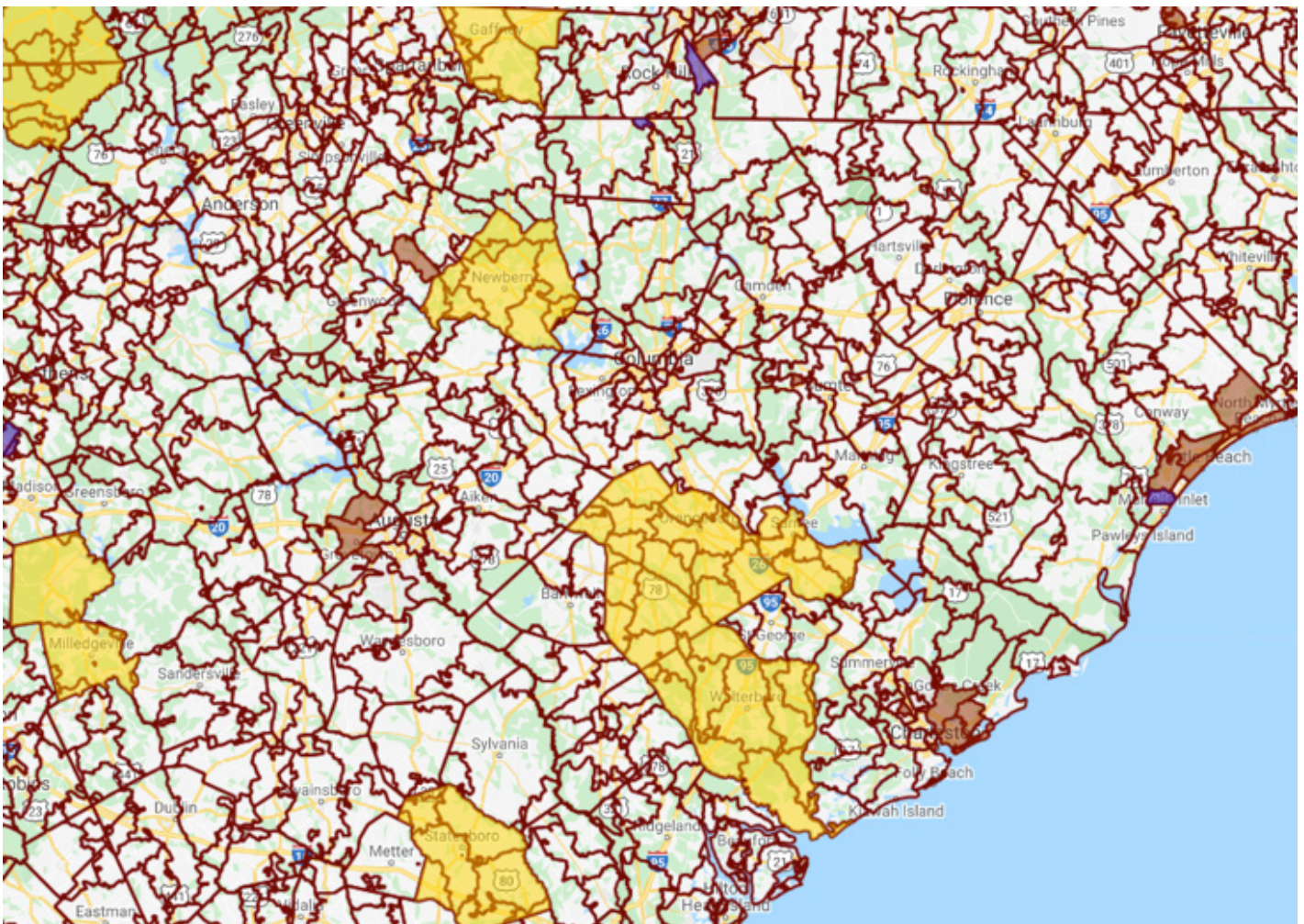


**KEY TAKEAWAY:** South Carolina residents may experience increased expenses related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.

## DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates the existence of a large segment of South Carolina that is impacted by DDA conditions.



**KEY TAKEAWAY:** Many areas within South Carolina are considered DDAs, representing a large portion of the geography in several communities

## SOURCES

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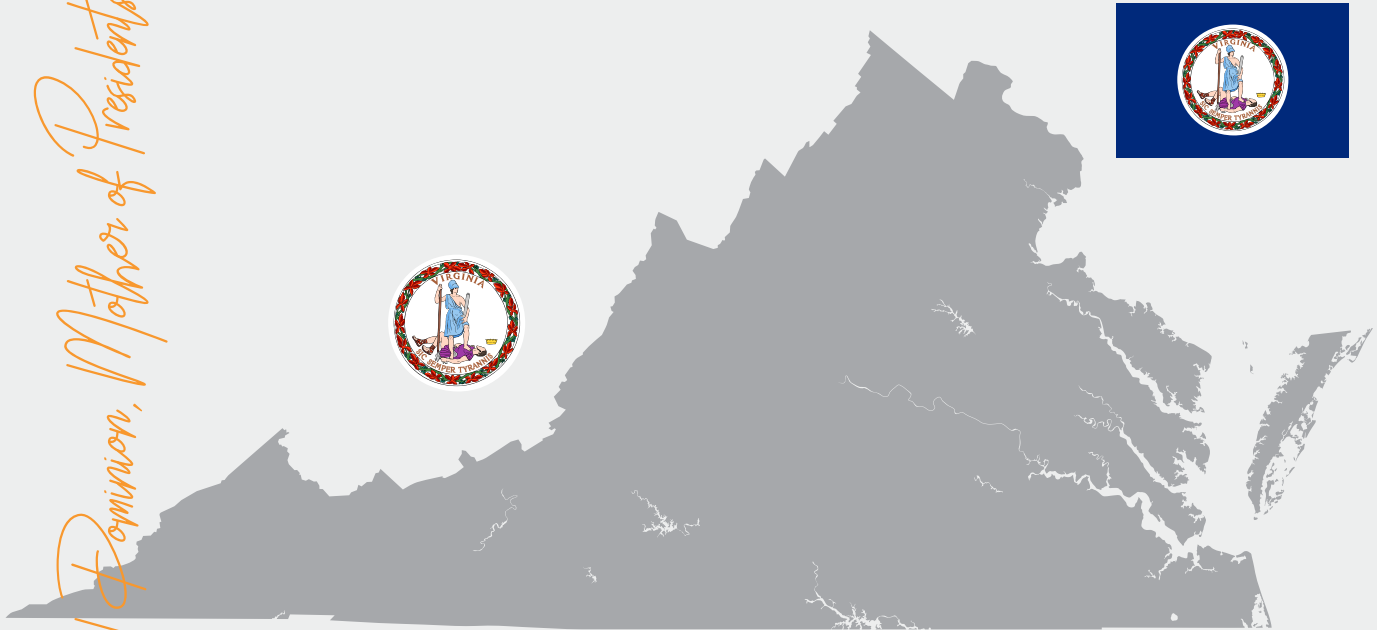
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# VIRGINIA

*Old Dominion, Mother of Presidents*

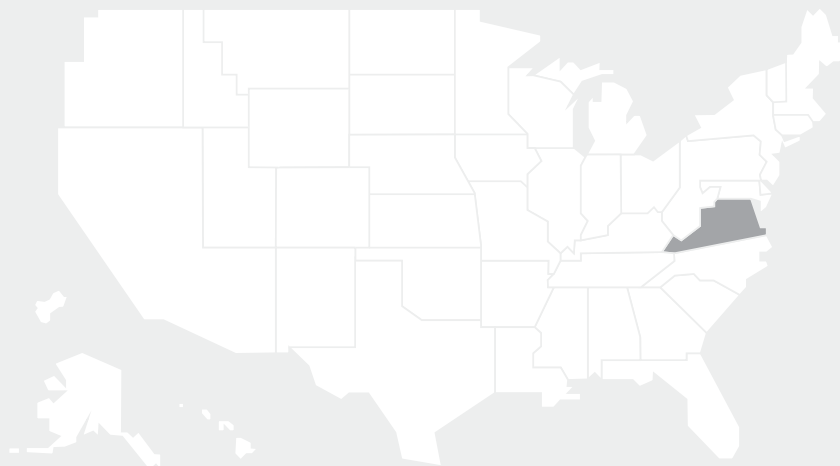


10

CAPITAL: RICHMOND  
LARGEST CITY: VIRGINIA BEACH  
AREA: 42,774.2 SQ MILES

1788

Latitude: 36° 32' N to 39° N  
Longitude: 75° 15' W to 83° 41' W



# VIRGINIA

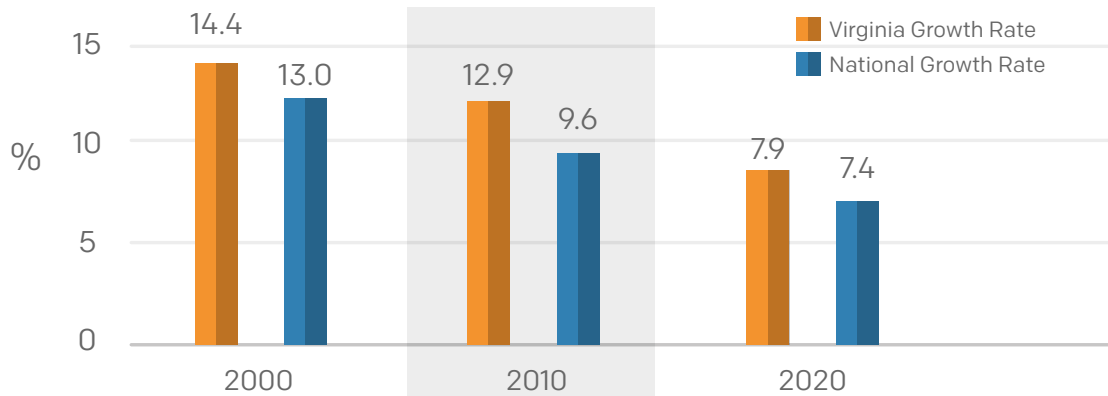
## 2021 EVENTS - THROUGH OCTOBER 2021

| Name of Event | Date | Forum | FHLBank Atlanta Role | Data and Information |
|---------------|------|-------|----------------------|----------------------|
| None          |      |       |                      |                      |

### POPULATION STATISTICS

From 2000 through 2020, the population growth rate in Virginia declined from 14.4 percent to 7.9 percent. Virginia showed consistent growth throughout the northern and central regions of the state. The highest increase came in Loudoun County with 19.2 percent growth. Large counties had high growth in population around Richmond and Norfolk, as well as the DC metro area. Population decline was seen throughout southern and western Virginia, particularly in smaller counties. For instance, small counties such as Bath County, as well as Buchanan and Halifax counties, showed large population declines of five percent or more. With a total population of roughly 8.6 million in 2020, Virginia ranked 12th in the U.S. in size while its population growth rate ranked 19th.

#### VIRGINIA POPULATION GROWTH RATE COMPARED TO NATIONAL POPULATION GROWTH RATE



Source: US Census Bureau 2020

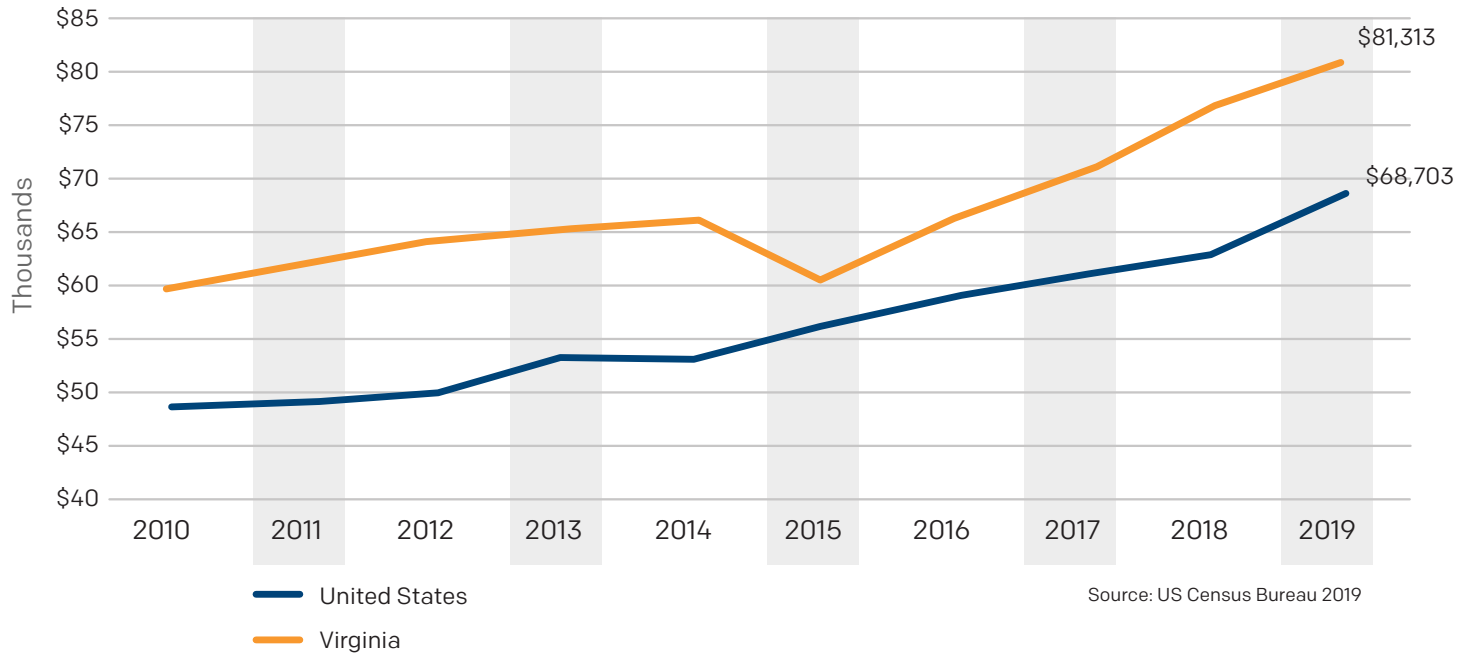


**KEY TAKEAWAY:** In 2020, the national population growth rate continued to decline, as did the rate in Virginia.

### INCOME AND POVERTY STATISTICS

In 2019, the median household income for Virginia was over \$81,000, marking an increase of more than \$20,000 since 2010. Median household income in the United States grew at a faster rate over the same period, rising from roughly \$50,000 in 2010 to around \$69,000 in 2019. Between 2018 and 2019, all counties in Virginia saw increases in median household income, with most experiencing an increase in the range of three to four percent. Counties in southern Virginia, such as Brunswick, Sussex, and Halifax, experienced the highest increases in net income, all experiencing median household income increase of five percent or more.

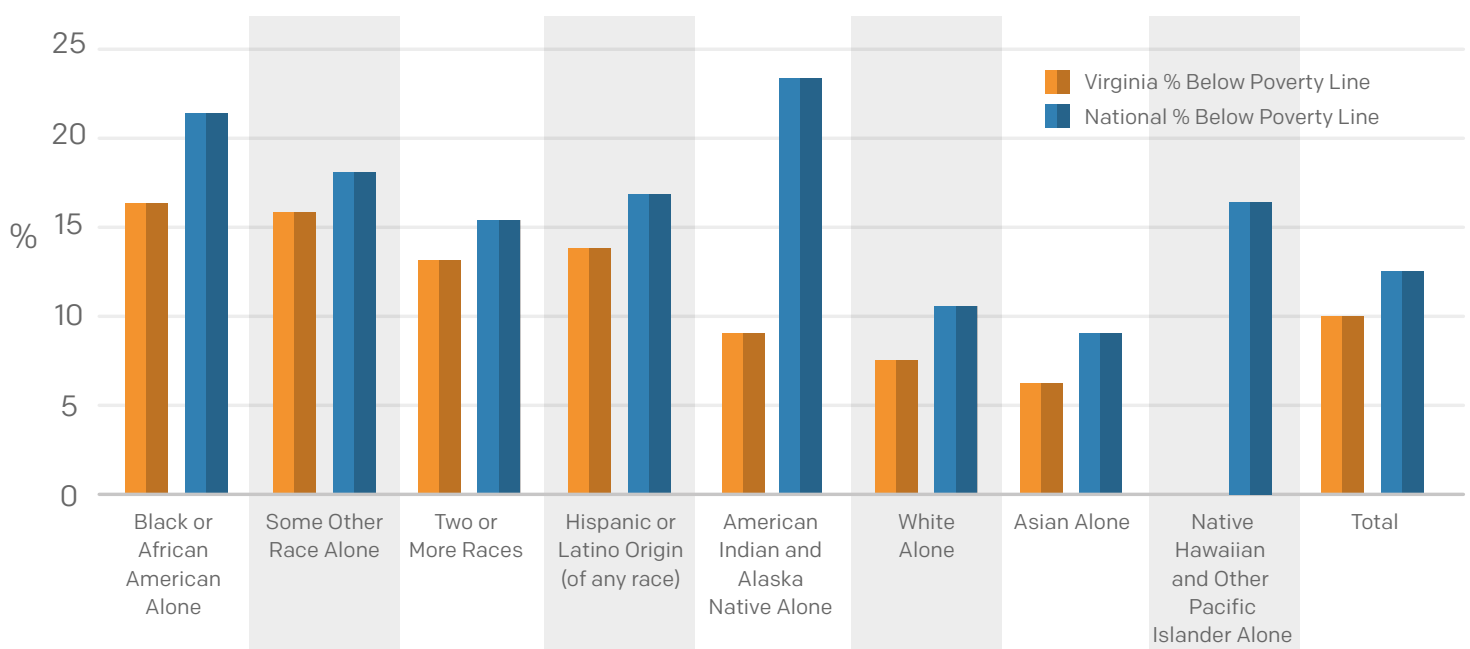
## MEDIAN HOUSEHOLD INCOME (UNADJUSTED FOR INFLATION)



**KEY TAKEAWAY:** The median household income for the state of Virginia in 2019 was \$81,313, which was 18 percent higher than the national median of \$68,703.

In 2019, the total number of Black Virginians living in poverty (439,223) was more than the total number of white residents (260,091) living below the poverty line. However, Black Virginians were twice as likely to live in poverty as white Virginians (16.4 percent vs. 7.9 percent). Counties in southern Virginia had the highest poverty rate, while metro areas to the north had the lowest.

## POVERTY BY ETHNICITY (Source: US Census Bureau 2019)



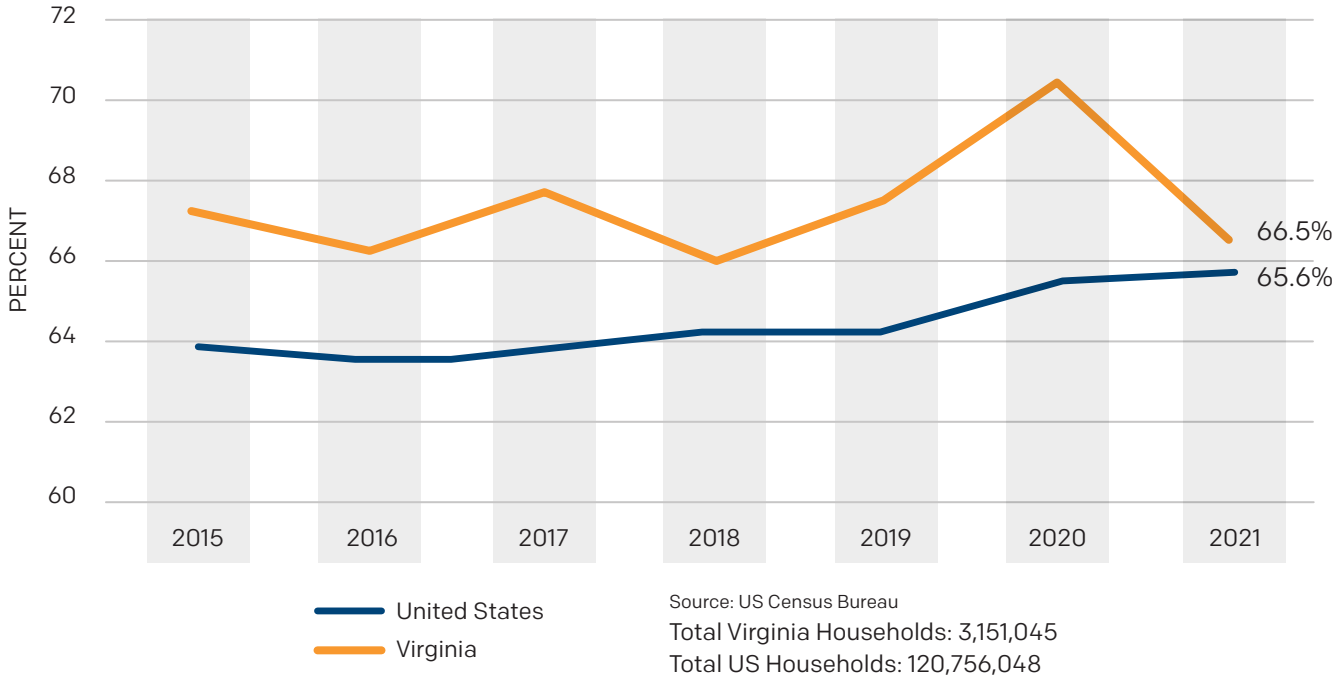


**KEY TAKEAWAY:** In 2019, an estimated 9.9 percent of Virginians lived below the federal poverty line.

## HOUSING STATISTICS

Virginia ranks 32nd in the nation for homeownership and fifth in FHLBank Atlanta's district.

### HOMEOWNERSHIP RATE

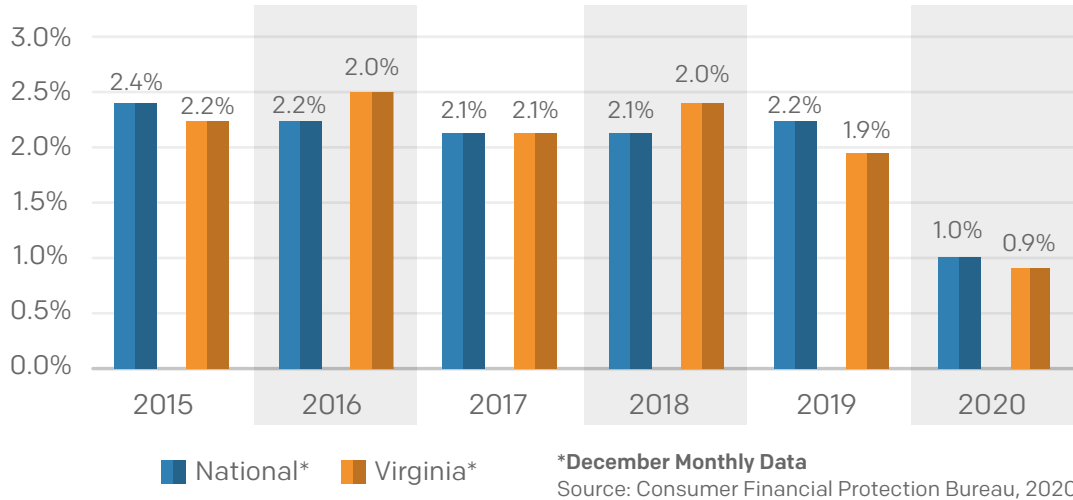


**KEY TAKEAWAY:** The growth rate of homeownership in Virginia has lagged five percent behind the growth rate nationally over the past year.

The COVID-19 pandemic caused a sudden surge in unemployment which began to impact consumers across the country in March of 2020. The economic impact to consumers was offset by government transfers of funds in many cases, so that the newly unemployed did not initially experience a decrease in financial status. Studies of consumer financial well-being show that for some consumers there was a decline, but the average consumer became more financially secure during the period between June 2019 and June 2020. The government assistance provided, as well as policies relative to forbearance on all federal student loans and government backed mortgages, actually allowed the financial status of the average consumer to improve early in the pandemic. This improvement was seen across all racial and ethnic groups, although Black and Hispanic groups traditionally have lower scores of financial well-being than Non-Hispanic White consumers. Additionally, consumers who were unemployed or underemployed prior to the pandemic did not experience the same positive impact from government assistance.



## MORTGAGE DELINQUENCY RATES (30-89 DAYS PAST DUE)



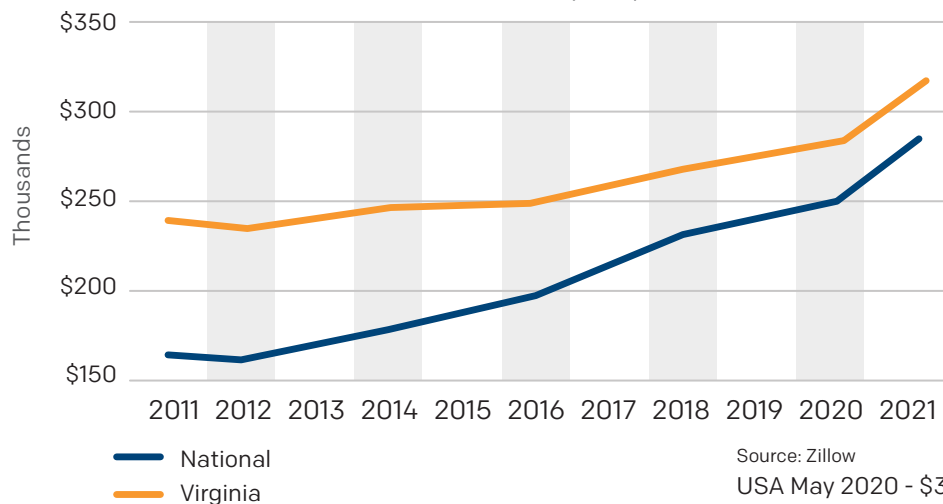
**KEY TAKEAWAY:** Government assistance during 2020 actually worked to reduce mortgage delinquency.

While mortgage delinquency was lower nationally and in Virginia as of December 2020 than it had been in prior years, some of this was partially the result of policies enacted during the pandemic, with lenders offering more options for borrowers facing financial constraints. Simultaneously, some consumers received stimulus money and were better able to handle existing payments for a period of time during 2020. The cessation of these policies may result in a trend toward higher delinquency.

According to data from Zillow, the median home price in Virginia has steadily increased in recent years. In the current environment, Virginia and the Southeast region in general are likely experiencing pandemic-related upward pressure on prices as the interest in year-round living and relative affordability are encouraging buyers from northern markets to relocate south. Over the past 10 years, housing prices in Virginia have steadily increased, and remained well above the national average in 2019. However, the rate of increase over the 10 year period was such that the differential between the median price in Virginia and the median price nationally has decreased from its peak in 2012 of over \$65,000 to \$36,569 in 2021.

## MEDIAN HOME PRICES, 2011-2021

VIRGINIA MAY 2020 - \$291,974  
VIRGINIA MAY 2021 - \$323,717



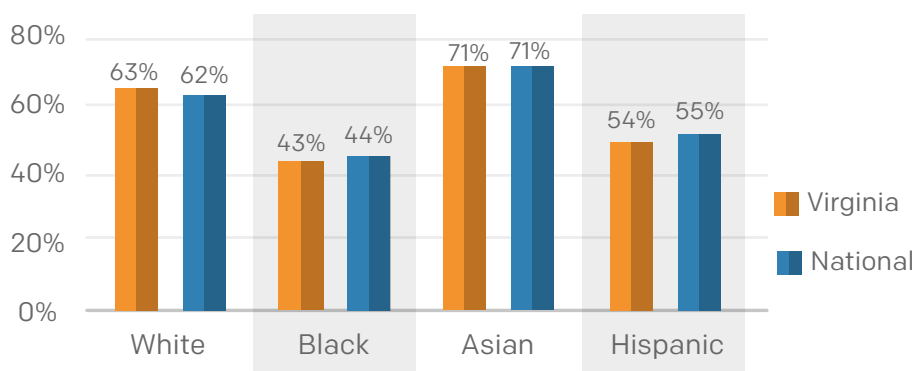
**KEY TAKEAWAY:** Home prices in Virginia continue to be higher than the national average, but both experienced similar increases during the past year.

While increasing home prices may be a positive for existing homeowners who have seen their personal balance sheets grow as a result, the upward pressure means fewer homes are affordable to the lower income population hoping to purchase a home. This is especially true in minority communities already facing an affordability disadvantage.

A 2019 report by the Harvard Joint Center for Housing Studies indicates that of 500,000 households in the Richmond area, over 29 percent (146,00 households) were classified as cost burdened. Similarly, in the Virginia Beach/Norfolk/Newport News market, with 660,000 households, almost 220,000 or 33 percent were cost burdened, and in the Washington/Alexandria/Arlington market, with 2.25 million households, 680,000 or over 30 percent were cost burdened.

### SHARE OF HOUSEHOLDS THAT CAN AFFORD THE TYPICAL HOME

(Source: National Association of Realtors 2021)



Total Virginia Households:  
White: 2,260,421, Black: 606,617, Asian: 178,781, Hispanic: 219,700



**KEY TAKEAWAY:** In Virginia, home affordability challenges mirror national trends across demographics. Black households face the most severe challenge of all demographic groups, with less than half able to afford a typical home.

The National Low Income Housing Coalition publishes an analysis of the conditions by state for rental housing available to low income households. Below is their analysis as of 2020 for low-income renters in Virginia.

## FACTS ABOUT VIRGINIA:

#14\*

In **Virginia**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,229**. In order to afford this level for rent and utilities – without paying more than 30% of income – a household must earn **\$4,097** monthly or **\$49,167** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of:

**\$23.64**  
PER HOUR  
STATE HOUSING  
WAGE

**130** Work Hours Per Week at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

**112** Work Hours Per Week at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

**3.3** Number of Full-Time Jobs at **Minimum Wage** to Afford a **2-Bedroom Rental Home** (at FMR)

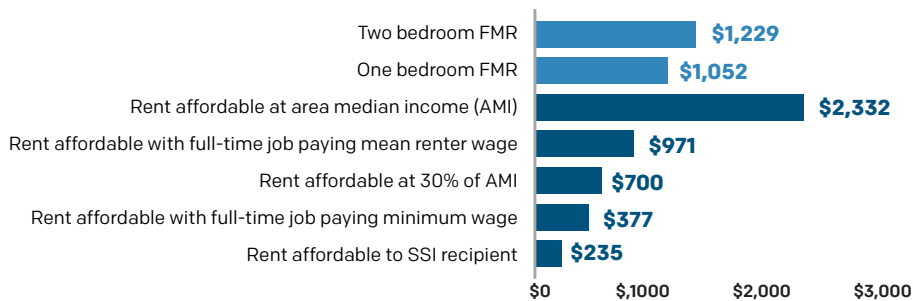
**2.8** Number of Full-Time Jobs at **Minimum Wage** to Afford a **1-Bedroom Rental Home** (at FMR)

### STATE FACTS

|                                  |   |  |   |                                  |
|----------------------------------|---|--|---|----------------------------------|
| <b>\$7.25</b><br>MINIMUM<br>WAGE | <b>\$18.67</b><br>AVERAGE<br>RENTER<br>WAGE | <b>\$23.64</b><br>2-BEDROOM<br>HOUSING<br>WAGE | <b>1,057,536</b><br>NUMBER OF<br>RENTER<br>HOUSEHOLDS | <b>34%</b><br>PERCENT<br>RENTERS |
|----------------------------------|---|--|---|----------------------------------|

### MOST EXPENSIVE AREAS

|   |   |  |   |  |
|---|---|--|---|--|
| <b>\$32.83</b><br>WASHINGTON-ARLINGTON<br>ALEXANDRIA HMFA | <b>\$24.27</b><br>CHARLOTTESVILLE<br>HMFA | <b>\$21.85</b><br>VIRGINIA BEACH -NORFOLK<br>NEWPORT NEWS HNFA | <b>\$21.38</b><br>KING GEORGE<br>COUNTY | <b>\$21.00</b><br>RAPPAHANNOCK<br>COUNTY |
|---|---|--|---|--|



MSA = Metropolitan Statistical Area; HMFA=HUD Metro FMR Area.

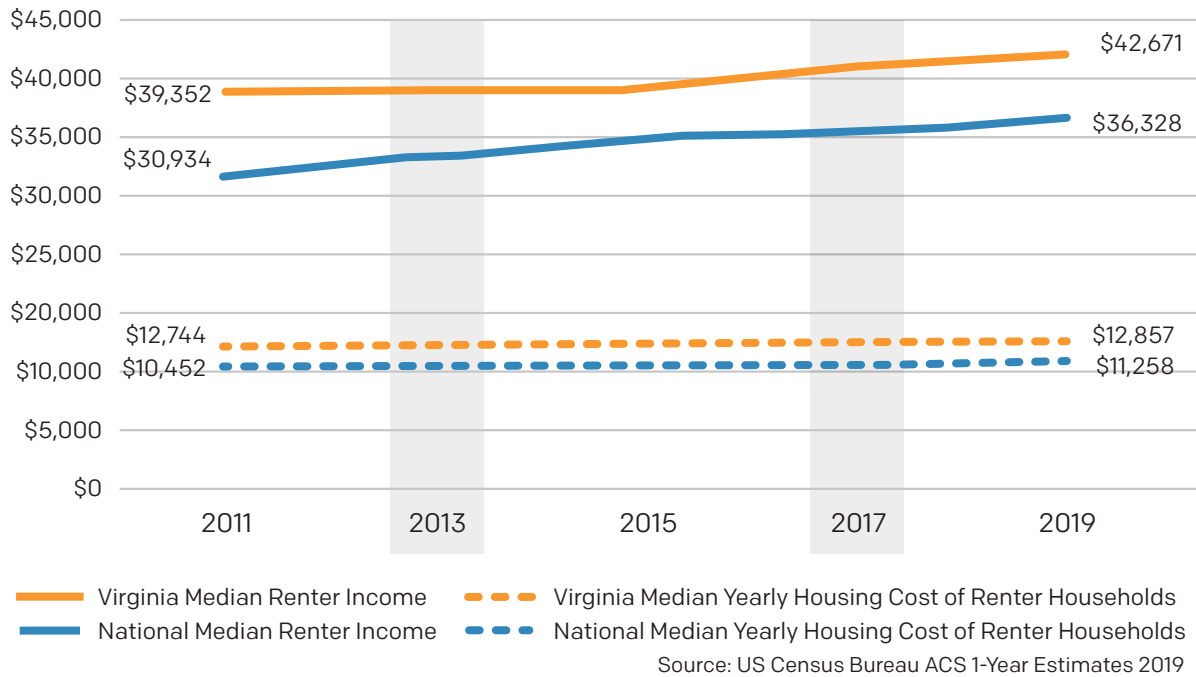
\*Ranked from Highest to Lowest 2-Bedroom Housing Wage. District of Columbia and Puerto Rico

OUT OF REACH 2020 | National Low Income Housing Coalition

These numbers have not changed much from the prior year, but the picture is still one of severe burden for many Virginia residents who cannot afford housing if they are working for minimum wage, even with more than two full-time earners contributing to the rent payment. The areas around Washington/Arlington/Alexandria are particularly stressed with very high housing costs.

However, according to U.S. Census data through 2019, the renter at median income in Virginia experienced a growth in income that outpaced the growth in rental housing costs, when comparing data from 2011 to 2019. The growth in income was eight percent using inflation adjusted dollars, while the growth in rental housing costs was only one percent over that same period.

## MEDIAN RENTER INCOME vs. HOUSING COSTS ADJUSTED FOR INFLATION

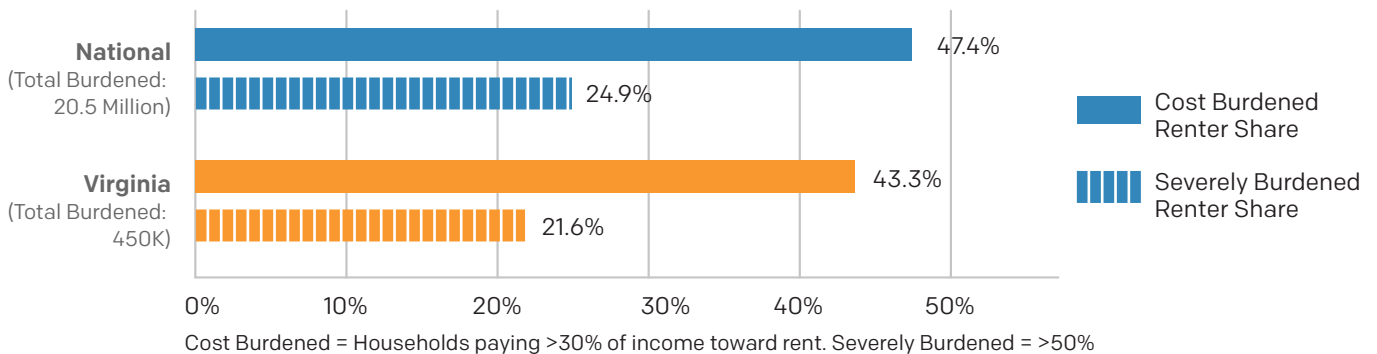


**KEY TAKEAWAY:** Based on the most recently available data, renter income levels in Virginia moved up only slightly in 2019 while housing costs were almost unchanged.

Across Virginia, as well as across the Southeast and many other parts of the country, there is a shortage of rental homes that are affordable and available to extremely low-income households, whose incomes are considered cost burdened, spending over 30 percent of their income on housing costs, while others are at or below the poverty guideline, or 30 percent of area median income. Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

## COST BURDENED RENTER SHARE

SOURCE: HARVARD UNIVERSITY JCHS, 2019



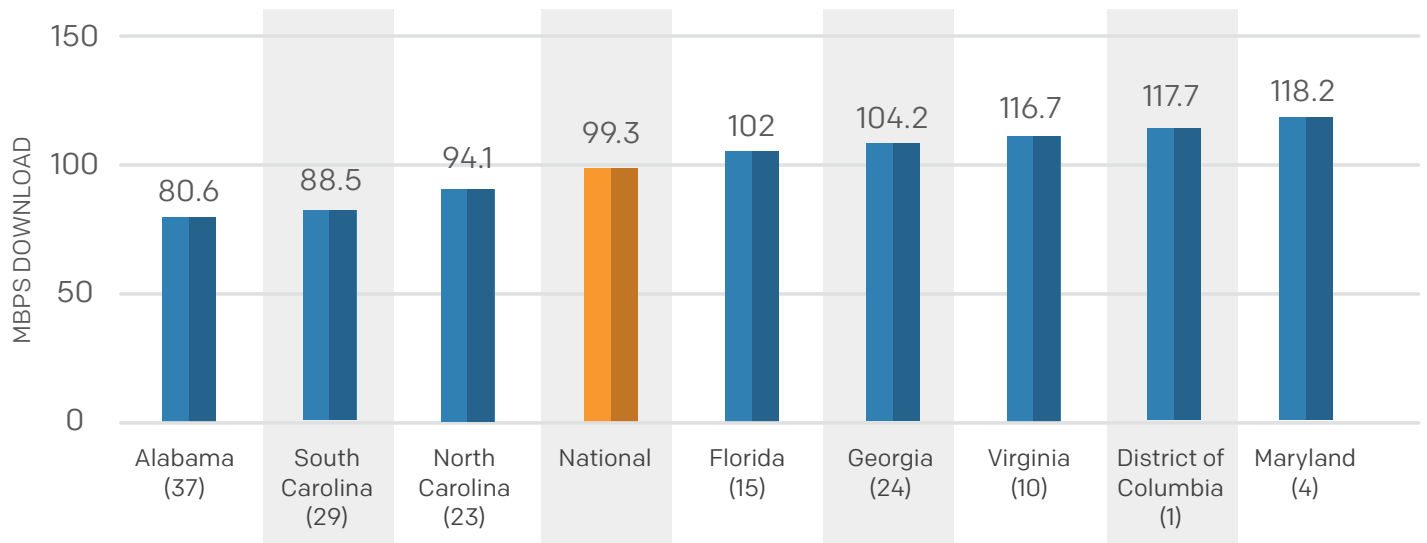
**KEY TAKEAWAY:** Across the country, nearly 50 percent of renters are cost burdened, and of those half are severely cost burdened. The situation in Virginia is only slightly better than the national average.

## BROADBAND ACCESS

According to BroadbandNow, a website that helps consumers find and compare internet service providers, Virginia ranked 10th in the country in 2021 in terms of investment in broadband technology, though it is third in FHLBank Atlanta's district when it comes to speed, at a download rate of 116.7 MBPS. The stated mission of BroadbandNow is to make broadband internet available to all Americans, and one of the organization's primary goals is to bring attention to underserved areas to help raise awareness and foster competition.

## BROADBAND SPEED

(#) NATIONAL BROADBAND ACCESSIBILITY RANKING



Source: BroadbandNow, 2021  
Highspeedinternet.com 2021



**KEY TAKEAWAY:** Virginia has higher broadband speeds and ranks well compared to other parts of the country.



## DIVERSITY, EQUITY, AND INCLUSION

Shareholder MDIs and MSOs in the FHLBank Atlanta district play an important role in providing products and services to underserved populations. MDIs have a unique insight into the financial challenges of minorities and serve customers and communities that need access to credit. As of July 1, 2021, 24 of the 26 MDIs within the Bank’s district are shareholders of FHLBank Atlanta. While the Bank has experienced a recent decline in the number of MDI shareholders due to mergers and acquisitions, MDIs continue to have a significant impact on the communities they serve. Unfortunately Virginia currently has no MDI designated institutions.

### VIRGINIA, FDIC-INSURED MDIs YEAR-END TOTALS, 2015 – 2020

| Total Virginia MDIs                     | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|
|   | 1    | 1    | 0    | 0    | 0    | 0    |
| Total MDIs By Minority Status           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Black or African American               | 1    | 1    | 0    | 0    | 0    | 0    |
| Hispanic American                       | 0    | 0    | 0    | 0    | 0    | 0    |
| Asian or Pacific Islander American      | 0    | 0    | 0    | 0    | 0    | 0    |
| Native American Alaskan Native American | 0    | 0    | 0    | 0    | 0    | 0    |



**KEY TAKEAWAY:** The number of MDIs within Virginia has remained constant at zero institutions since 2017.

MSOs include builders, advocacy groups, and historically Black colleges and universities (HBCUs), among others. Supplementing the efforts of these groups, MSOs such as the National Bankers Association advocate for the interests of minorities in the financial services industry. Below is a list of MSO organizations with whom FHLBank Atlanta maintains contact to support efforts with the minority communities in our markets.

| #  | Name of Organization                                  | Category    |
|----|---|-------------|
| 1  | Better Housing Coalition                              | Real Estate |
| 2  | Central Virginia African American Chamber of Commerce | Business    |
| 3  | Hampton University- Hampton                           | HBCU        |
| 4  | Housing Forward VA                                    | Business    |
| 5  | Minority Access, Inc.                                 | Other       |
| 6  | National Society of Black Engineers                   | Builders    |
| 7  | Norfolk State University- Norfolk                     | HBCU        |
| 8  | Northern Virginia Black Chamber of Commerce           | Business    |
| 9  | Office of African-American Affairs                    | Education   |
| 10 | Office of Minority Business Development               | Business    |
| 11 | Small, Woman & Minority Program (SWAM)                | Business    |
| 12 | Virginia State University- Petersburg                 | HBCU        |
| 13 | Virginia Union University- Richmond                   | HBCU        |
| 14 | Virginia University of Lynchburg- Lynchburg           | HBCU        |
| 15 | Virginia-North Carolina Alliance                      | Education   |



**KEY TAKEAWAY:** MSOs play important roles in providing products and services to underserved populations.

## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt that includes Virginia, there are properties that have limited financial use due to the title being clouded in some way. Frequently, this is the result of a transfer of property without legal assistance through the death of an original owner to a family member or members, resulting in what is called heirs' property. Heirs' property is more common among low income community members, creating disadvantageous financial consequences for them and their families, and negatively impacting the community in which they live if the property falls into disrepair.

A study of data available through the United States Department of Agriculture (USDA) Forest Service Southern Region was conducted by researchers with the University of Georgia's Carl Vinson Institute of Government in September 2017. The focus of the study was to identify potential heirs' properties in the Southeastern U.S. using geographic information system methodology and mass appraisal data. The charts below were developed as part of that study in both eastern counties and in the Appalachian areas of Virginia near its western border. The charts document numerous areas of potential heirs' properties in Virginia.

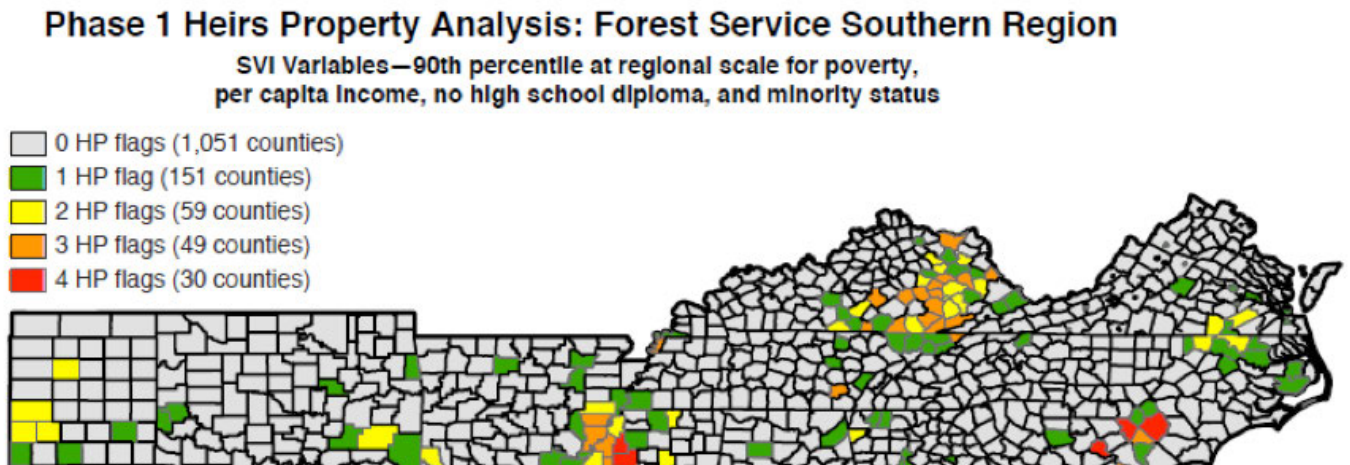


Figure 2—Results from the initial regional heirs property analysis. Using four demographic indicators, counties within the Southern Region were ranked on the likelihood that they contain heirs properties. Counties in red are believed to be the most likely to contain higher numbers of heirs properties.

## Phase 1 Heirs Property Analysis: Forest Service Southern Region

SVI Variables – 90th percentile at regional scale for poverty, per capita income, no high school diploma, and minority status

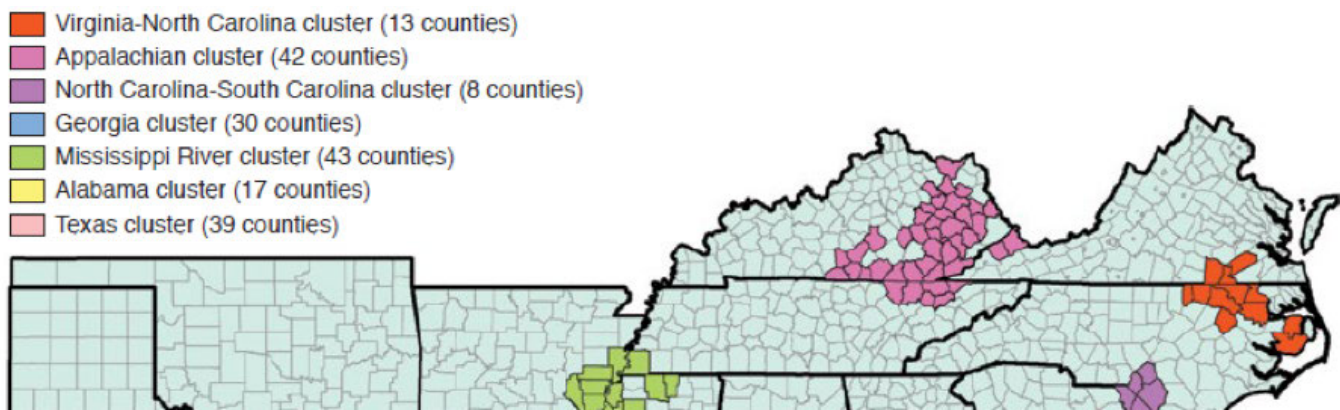


Figure 3—Regional heirs property clusters. Identifying the largely contiguous clusters of counties identified by the regional analysis provides the opportunity to discuss the phenomenon of heirs property in areas with relatively similar historical and sociological contexts.



**KEY TAKEAWAY:** Virginia has a significant portion of property with tangled titles that deter wealth generation for impacted families.

### CLIMATE CHANGE IMPACT AND BUILDING RESILIENCY

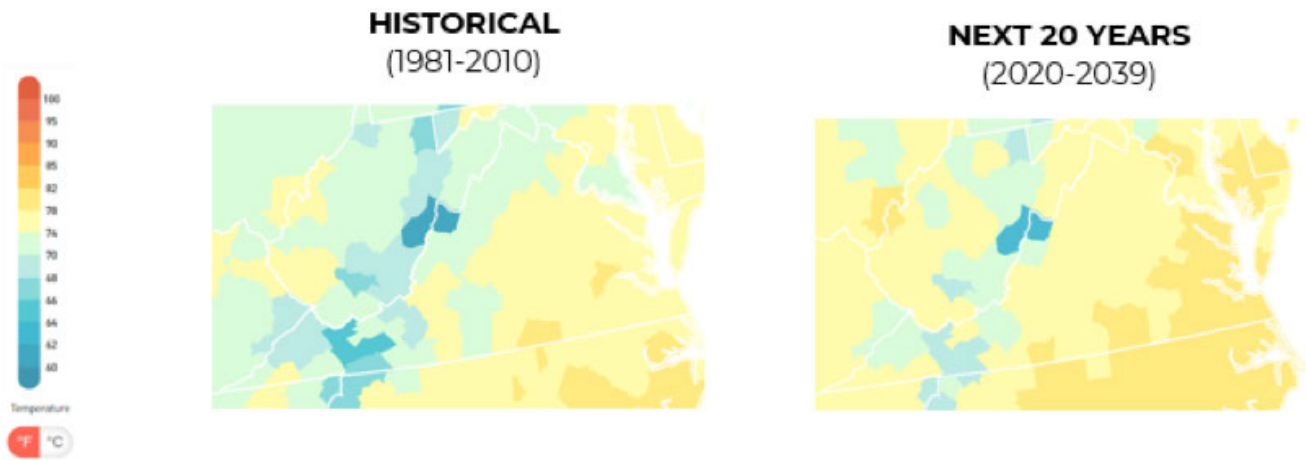
Climate change is impacting Virginia, as evidenced by an increase in average temperatures of one degree over the last century, and a rise in sea level along the coast of one to two inches each decade. Higher coastal water levels are leading to beach erosion and increasing flood events, which threaten housing stock along coastal areas. In Virginia, the land is also sinking and projected to result in a sea level rise in coastal areas of anywhere from 16 inches to four feet over the next century. The extreme levels of rise could significantly impact the vulnerable areas of the Chesapeake Bay, where salt water intrusion could compromise the aquifers relied on for watering the soil in farmland and forest areas. There is already evidence of this with dead trees in the York River tidal tributaries. Barrier islands along the coast are expected to be lost or broken up by 2,100, according to the United States Geological Survey.

Flooding that occurs with storms will increase with a higher sea level. Coastal homes, as well as roads, ports, and other infrastructure will be vulnerable to damage, particularly in the heavily populated Hampton Roads area. Already there are areas along the Chesapeake Bay, such as the Poquoson community, where tidal water rises and falls in roadside ditches. Rising sea levels and recurring floods will lead to increased insurance expenses for homeowners and property owners in these communities.

The changing climate and higher temperatures may impact agriculture and related employment in Virginia, and may lead to an increase in the cost of food. Livestock productivity will decline as heat stress disrupts the animals. Some crops will have reduced yields as the result of the higher temperatures, although some crops will benefit in production from the higher concentration of carbon dioxide in the atmosphere. This could also depend on irrigation as rising temperatures will increase the need for water, and with the impact of sea water, readily available water could become more scarce.



## HISTORICAL AND PROJECTED TEMPERATURES FOR VIRGINIA



According to a 2021 report by The Aspen Institute, households of color face disproportionate impacts of climate change and systemic inequities in federal assistance. They are more likely to live in floodplains, and with recurring natural disasters impacting them, the costs of recovery are a contributor to an increasing wealth gap as they are faced with repairs for damages and rebuilding. Additional costs for relocation, along with a loss of equity, are incurred when rebuilding is not an option.

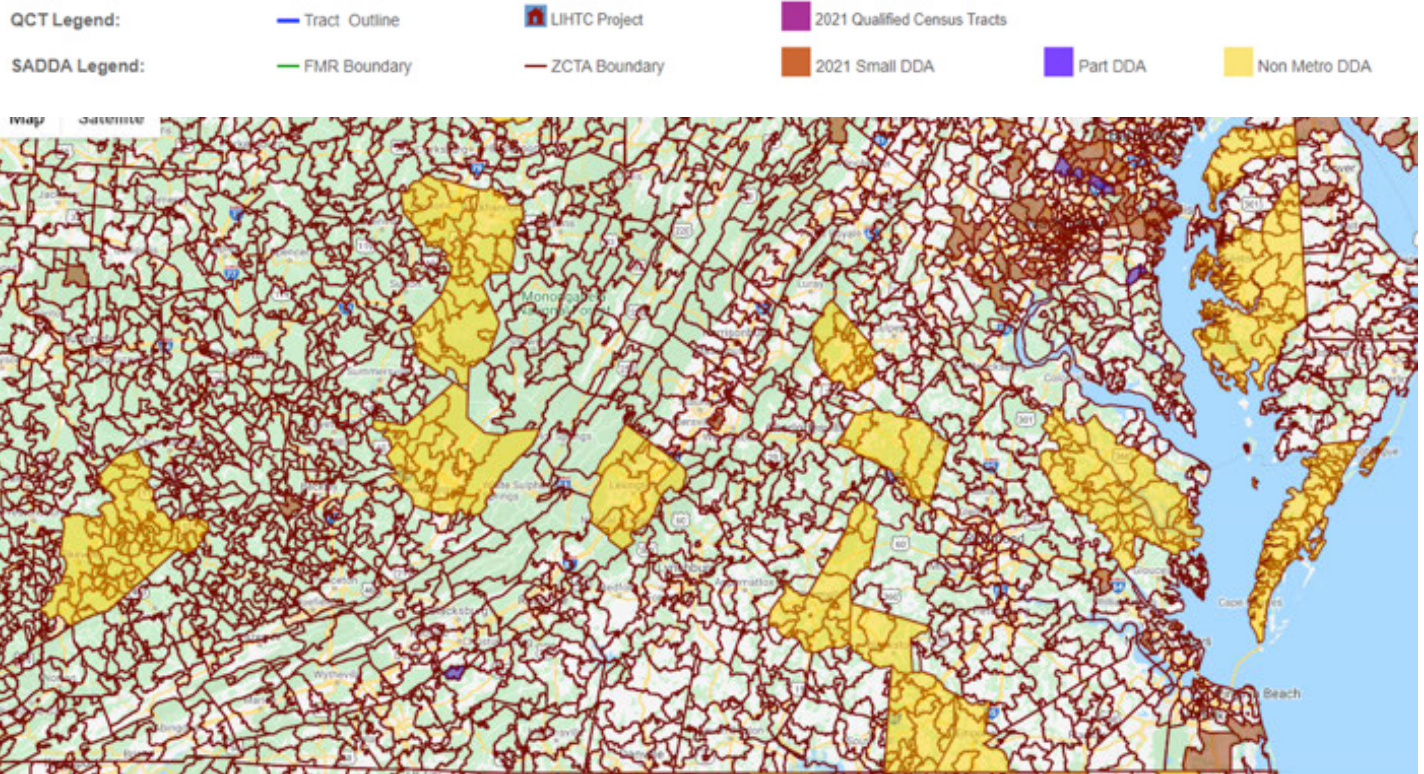


**KEY TAKEAWAY:** Virginia residents may experience increased expenses related to negative impacts from climate change over the next several decades, increasing financial hardship for low- and moderate-income households already struggling with a cost burden.

## DIFFICULT DEVELOPMENT AREAS

DDAs are designated across the country by HUD each year, using the most recently available decennial census data on total population, as well as data obtained via the American Community Survey, which is collected over a five-year period. Areas that rank in the highest 20 percent, weighted by population, in terms of land, construction, and utility costs relative to average median gross income, are designated as DDAs. DDA designations are based on modified Fiscal Year (FY) 2020 Small Area Fair Market Rents (Small Area FMRs), FY2020 non-metropolitan county FMRs, FY2020 income limits, and 2010 Census population counts.

The following map demonstrates a large segment of Virginia that is impacted by DDA conditions.



**KEY TAKEAWAY:** Many areas within Virginia are considered DDAs, representing a large portion of the geography in several communities around the state.

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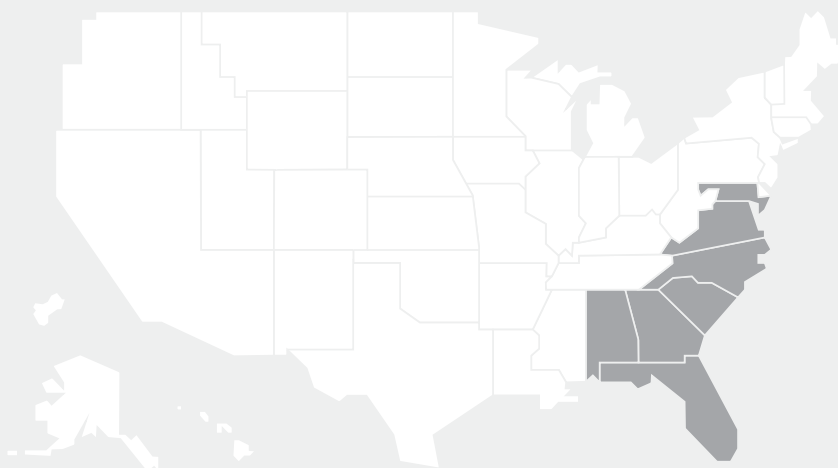
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# FEDERAL HOME LOAN BANK

*Atlanta*



**ALABAMA**  
**DISTRICT OF COLUMBIA**  
**FLORIDA**  
**GEORGIA**  
**MARYLAND**  
**NORTH CAROLINA**  
**SOUTH CAROLINA**  
**VIRGINIA**



# ANALYSIS OF FHLBANK ATLANTA DISTRICT EMERGING TRENDS

## 2022 STRATEGIC RESPONSE – CONNECTING THE DOTS

### POPULATION

Five of the seven states in the Bank’s district, as well as DC, have experienced higher population growth rates than the national average in recent years. Population increases exert greater strain on public services, local government budgets, and available resources needed to serve new residents.

#### STATES AND DC

|   | Alabama | Florida | Georgia | Maryland | North Carolina | South Carolina | Virginia | District of Columbia |
|---|---------|---------|---------|----------|----------------|----------------|----------|----------------------|
| Population growth rate compared to national average | ↓       | ↑       | ↑       | ↓        | ↑              | ↑              | ↑        | ↑                    |

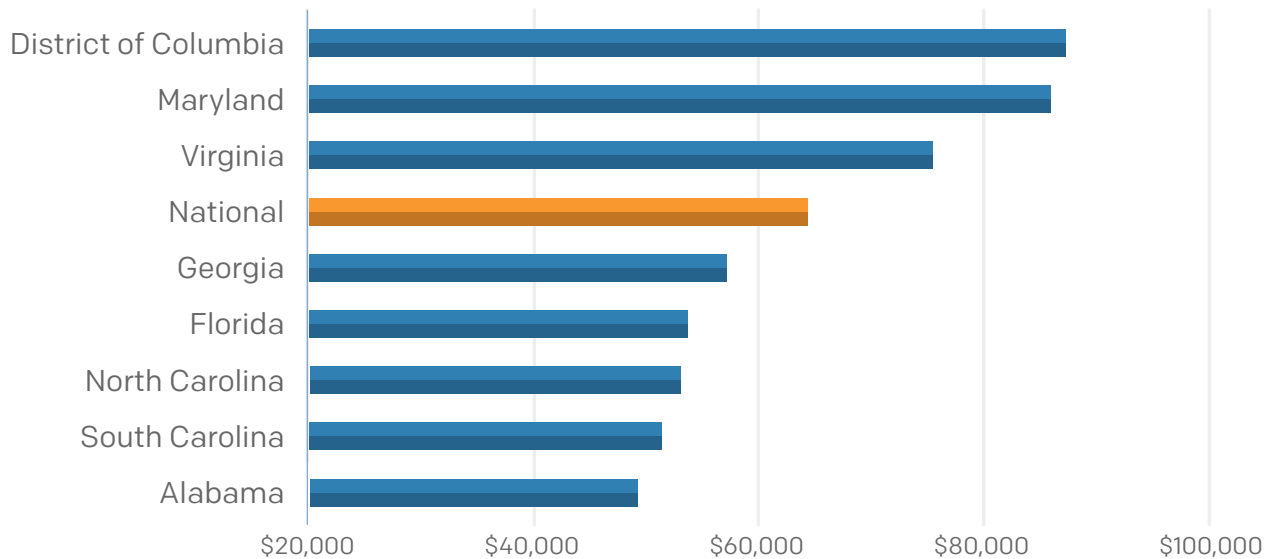


**KEY TREND:** The states in the Bank’s district continue to grow at a higher rate than the national average.

### MEDIAN HOUSEHOLD INCOME

In 2019, the national median household income was \$62,843 per year. In the Bank’s district, only Maryland, Virginia, and DC had higher median household incomes than the national median. Maryland, Virginia, and DC are also some of the highest wage-earning states in the country. There is a wide range in the Bank’s district, as DC is over 137 percent of the national median and Alabama’s median income is only 80 percent of the national median.

#### 2019 MEDIAN HOUSEHOLD INCOME



Source: US Census Bureau



**KEY TREND:** The median income for states in the Bank’s district tends to be lower than the national average. Population increases in these states are attributable to growing numbers of low income households.

## POVERTY RATE

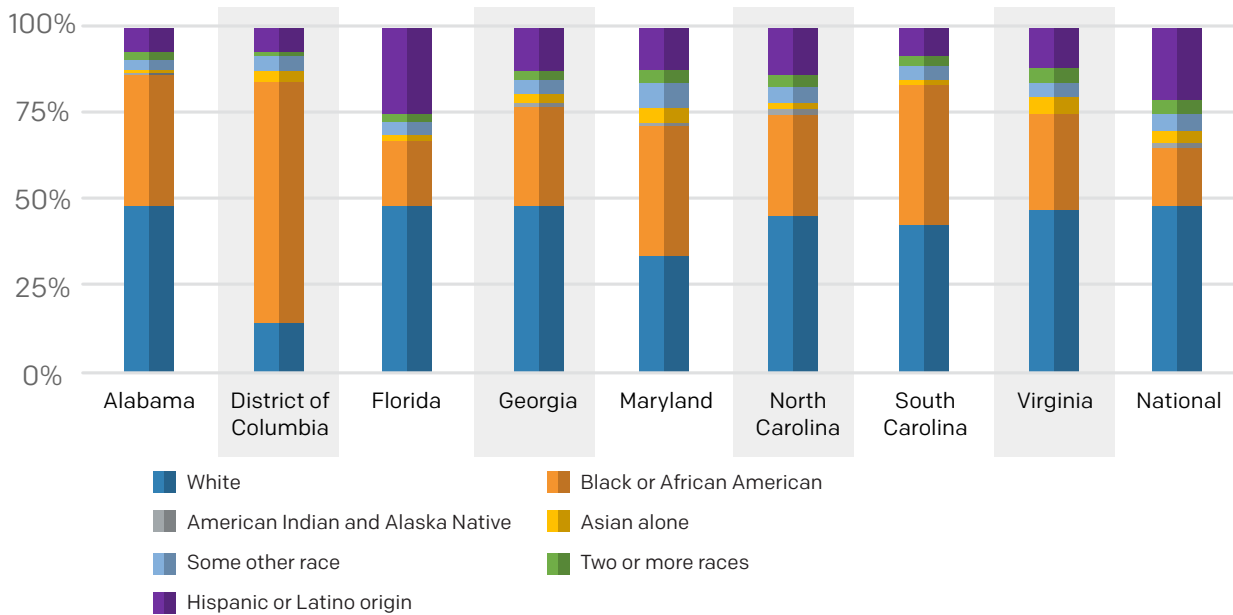
As of 2019, 12 percent of the nation's residents live below the poverty line. Five of the seven states in the Bank's district, as well as DC, have a higher percentage of residents living below the poverty line.

The racial makeup of those living below poverty varies across the district. Nationally, the 12 percent of residents who live in poverty are most frequently Black, African American, American Indian, or Alaska Native. In Florida, the most common racial or ethnic group living below the poverty line is white, followed by Hispanic and Black, but a Black resident is more likely to live in poverty than a white resident.

|                                    |
|------------------------------------|
| Maryland = 9%                      |
| Virginia = 10%                     |
| <b>National Poverty Rate = 12%</b> |
| Florida = 13%                      |
| Georgia = 13%                      |
| District of Columbia = 14%         |
| North Carolina = 14%               |
| South Carolina = 14%               |
| Alabama = 16%                      |

## PERSONS IN POVERTY BY RACE/ETHNICITY

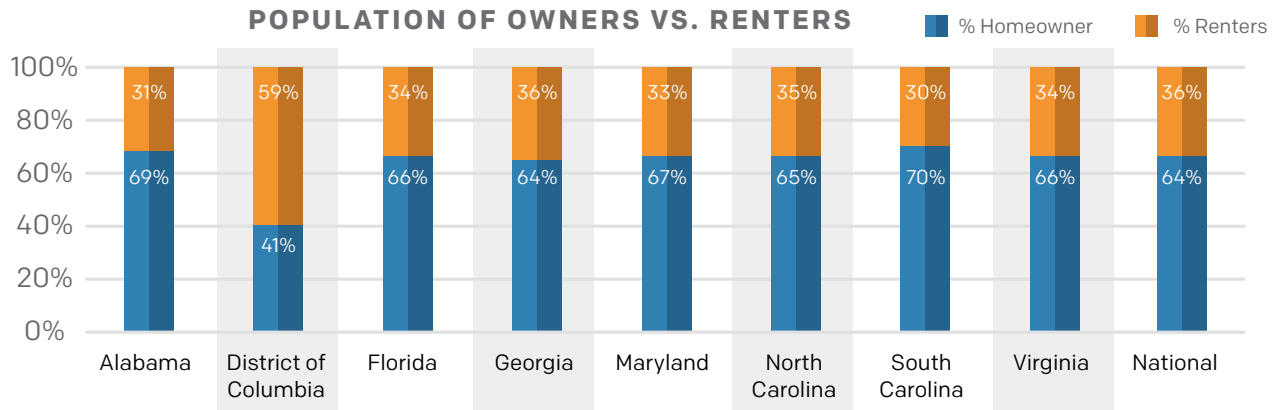
Source: US Census Bureau, ACS 2019



**KEY TREND:** In all but two states, the proportion of residents living below the poverty line is greater than the national average. This combined with increases in population create a high demand for affordable housing and other essential services across the district.

## HOMEOWNERSHIP RATE

Homeownership rates are generally strong throughout the Bank's district. The national average homeownership rate was 64 percent in 2019. Only DC had rates lower than the national average. Georgia has been steadily closing the gap in recent years and finally reached the national average in 2019. DC has trailed the national average for more than a decade, confirming an ongoing affordability issue for residents.



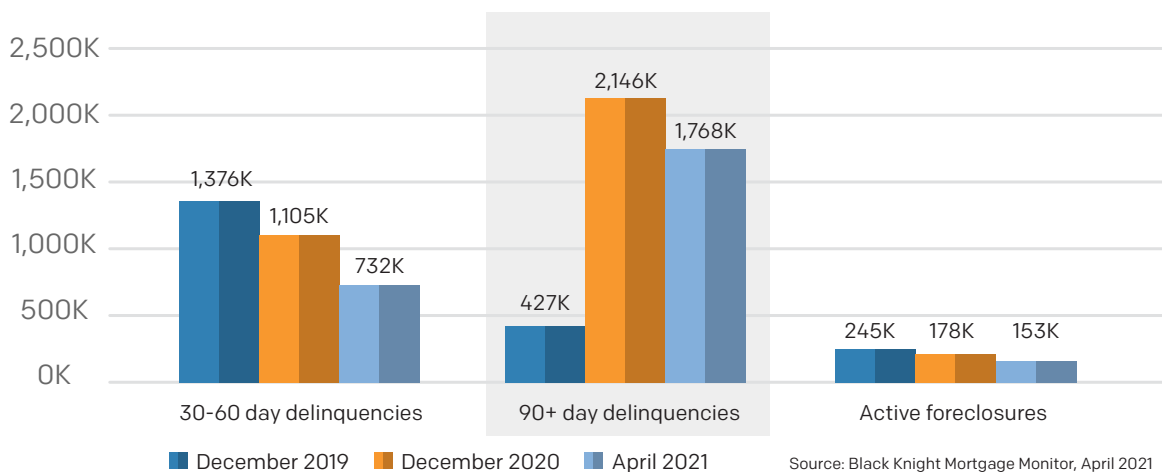
Source: US Census Bureau, ACS 2019



**KEY TREND:** Homeownership rates are generally aligned with, or better, than the national average. DC has the lowest homeownership rate in the region, while South Carolina has the highest.

## MORTGAGE AND RENT DELINQUENCIES

In all seven states in the Bank's district and DC, a material segment of residents have fallen behind on rent or mortgage payments. Government programs promulgated during the early part of the COVID-19 pandemic, including eviction moratoria and suspended student debt payments, resolved loss of income issues for many. While some moratoria and suspensions have continued in 2021, their expected end could jeopardizing the housing situation for many residents. The CFPB reports the total amount owed by borrowers in forbearance is almost \$90 billion as of 2021. Current data on delinquent mortgages as reported by the CFPB is reflected below:

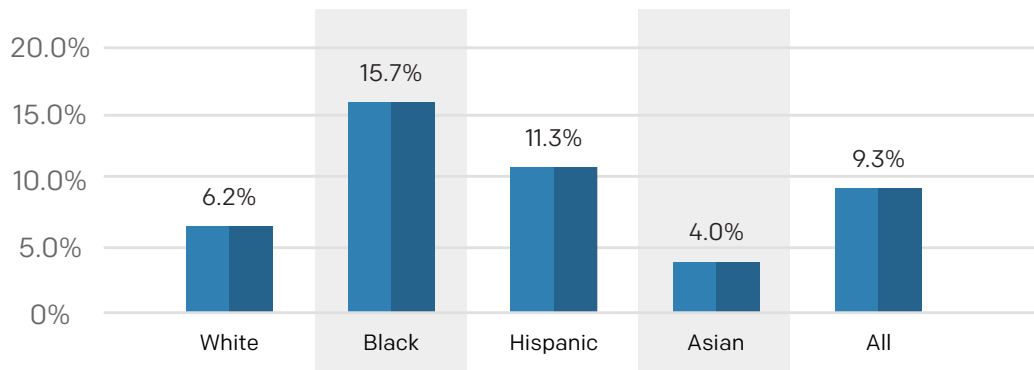


Source: Black Knight Mortgage Monitor, April 2021

<https://www.consumerfinance.gov/about-us/blog/new-data-show-improving-yet-sustained-housing-insecurity-risks/>

The loss of income that led to mortgage delinquencies also impacted renter households, making it difficult for many to make their rent payments. They are also faced with increased housing insecurity when the eviction moratoria are discontinued as there is a significant and widespread shortage of affordable housing. As of December 2020, the CFPB reported 8.8 million renters were behind on payments.

## SHARE OF RENTERS THAT REPORT IT IS LIKELY THEY WILL BE EVICTED, DECEMBER 2020



Source: CFPB analysis of Census Household Pulse Survey, Week 21 (December 9 – December 21)  
[https://files.consumerfinance.gov/f/documents/cfpb\\_Housing\\_insecurity\\_and\\_the\\_COVID-19\\_pandemic.pdf](https://files.consumerfinance.gov/f/documents/cfpb_Housing_insecurity_and_the_COVID-19_pandemic.pdf)

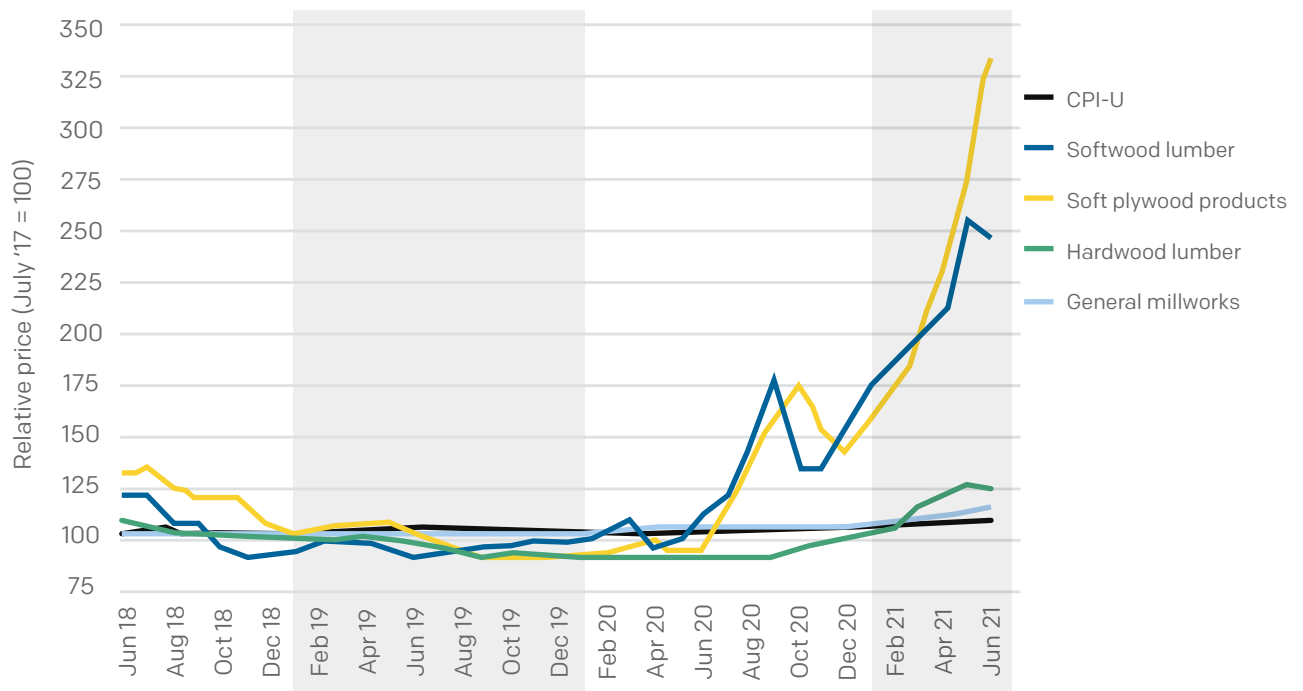


**KEY TREND:** Roughly one in 10 renters anticipate eviction.

## DEVELOPMENT COST AND MATERIALS PRICE ESCALATION

Nationally, the supply/demand equation for building supplies has contributed to significant price increases for all types of building materials. The Bureau of Labor Statistics reported that construction material prices were up 3.2 percent in June 2021, and the index was 20.4 percent higher than its 2020 level. This compares to the overall rise in all items in the consumer price index over the one-year period of 5.4 percent. The chart below demonstrates the change in lumber pricing as an example of a key item for construction.

### LUMBER PRICE CHANGES



<https://yieldpro.com/2021/07/construction-materials-prices-rises-spread/>



As a result of the COVID-19 pandemic, a slowdown in production occurred at manufacturers of lumber, plywood, appliances, and other building materials. This slowdown created a lack of housing supply, and as the demand for homes continued and increased during the pandemic, manufacturers were scrambling to get production levels up with a reduced capacity. That drain on their reserved supply continues as demand has been sustained at record levels. The National Association of Home Builders reported that more than 90 percent of builders are reporting shortages in their May 2021 survey.

**BUILDERS REPORTING SHORTAGES (SERIOUS OF SOME)  
OF MATERIALS: MAY 2021 VS. JUNE 2020**

|                                    | Jun-20 | May-21 | Difference |
|------------------------------------|--------|--------|------------|
| Oriented strand board (OSB)        | 9%     | 92%    | +83%       |
| Plywood                            | 9%     | 90%    | +81%       |
| Framing lumber                     | 15%    | 94%    | +79%       |
| Copper wiring                      | 7%     | 77%    | +70%       |
| Trusses                            | 13%    | 78%    | +65%       |
| Gypsum wall board                  | 8%     | 70%    | +62%       |
| Vinyl siding                       | 14%    | 74%    | +60%       |
| Hvac equipment                     | 11%    | 68%    | +57%       |
| Steel (lightweight for framing)    | 13%    | 70%    | +57%       |
| Roofing materials                  | 10%    | 66%    | +56%       |
| Plumbing fixtures & fittings       | 21%    | 75%    | +54%       |
| Insulation materials               | 10%    | 62%    | +52%       |
| Structural insulated panels (SIPs) | 10%    | 62%    | +52%       |
| Windows and doors                  | 35%    | 87%    | +52%       |
| Hardwood flooring                  | 15%    | 67%    | +52%       |
| Steel beams                        | 12%    | 57%    | +45%       |
| Millwork                           | 27%    | 72%    | +45%       |
| Clay brick                         | 9%     | 51%    | +42%       |
| Cement                             | 6%     | 44%    | +38%       |
| Concrete brick and block           | 9%     | 46%    | +37%       |
| Ready-mix concrete                 | 7%     | 43%    | +36%       |
| Cabinets                           | 29%    | 63%    | +34%       |
| Ceramic tiles                      | 24%    | 51%    | +27%       |

<https://nahbnow.com/2021/06/record-number-of-builders-report-material-shortages/>

Additionally, areas of the country, where land, utility, and construction costs relative to the median income result in higher developments costs, have been designated as DDAs by HUD. A DDA designation allows these areas to qualify for higher levels of funding for many programs. The higher funding is designed as an incentive for developers to compensate them for the higher costs, but there remains a demand for affordable units in these areas and the existing incentives have not brought significant improvement in the supply of units.



**KEY TREND:** Increased costs related to higher demand and lagging supply have exacerbated the inability to create lower cost housing units. This will likely continue to have a national impact for some time until the supply system recovers.



**KEY TREND:** Areas within FHLBank Atlanta’s district have continued to experience increased overall development costs which have made the creation of affordable housing even more difficult to accomplish.

## DEMAND FOR AFFORDABLE HOMEOWNERSHIP

Between 2019 and 2020 (prior to the COVID-19 pandemic), median home values in all seven states in the Bank’s district and in DC had been on the rise for several years. As a result of the pandemic, single-family homes have experienced even more upward pressure on prices. Affordably priced housing is in high demand as rising prices move out of the range of even more potential buyers.



**KEY TREND:** Increasing home values across the Bank’s district is making affordability a challenge for low- to moderate-income residents.

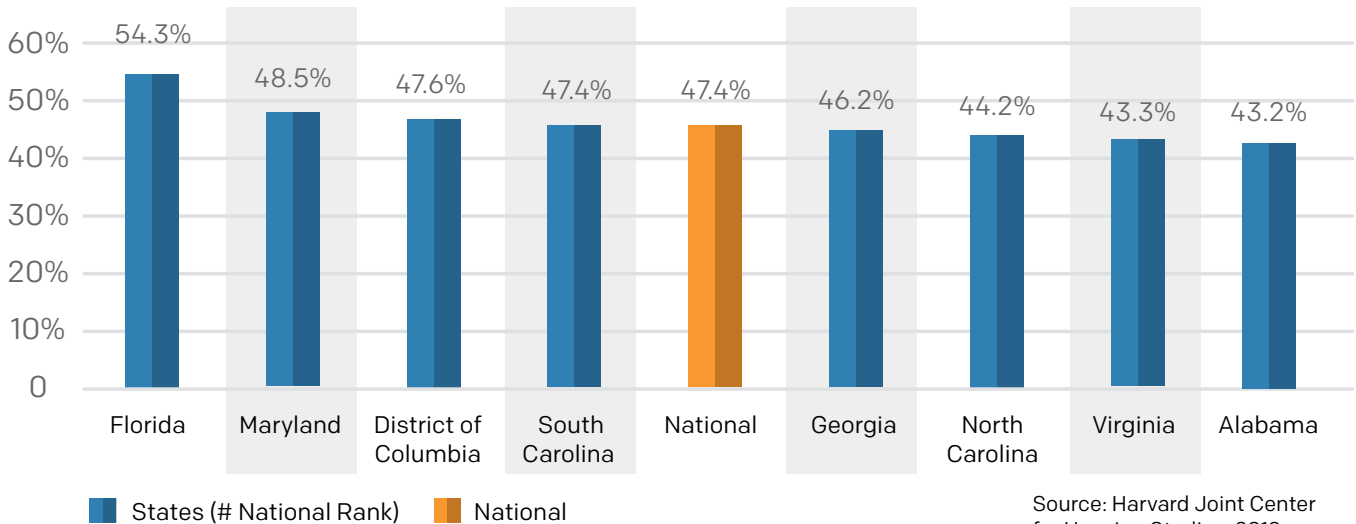
## RENTER WAGES COMPARED TO COST OF RENTAL HOUSING

In all seven states in the Bank’s district and DC, the average wage of a significant percentage of renters falls below what is required to afford a two-bedroom apartment without exceeding the housing cost burden threshold of 30 percent. Florida is the worst state for cost burden for its renters, with 54.3 percent of renters exceeding the 30 percent threshold for housing expense. Two other areas – Maryland and DC – are above the national average level, with 47.4 percent of renters being cost burdened to some degree.



**KEY TREND:** Rental housing throughout the Bank’s district remains unaffordable for the average renter.

### COST BURDENED RENTER %

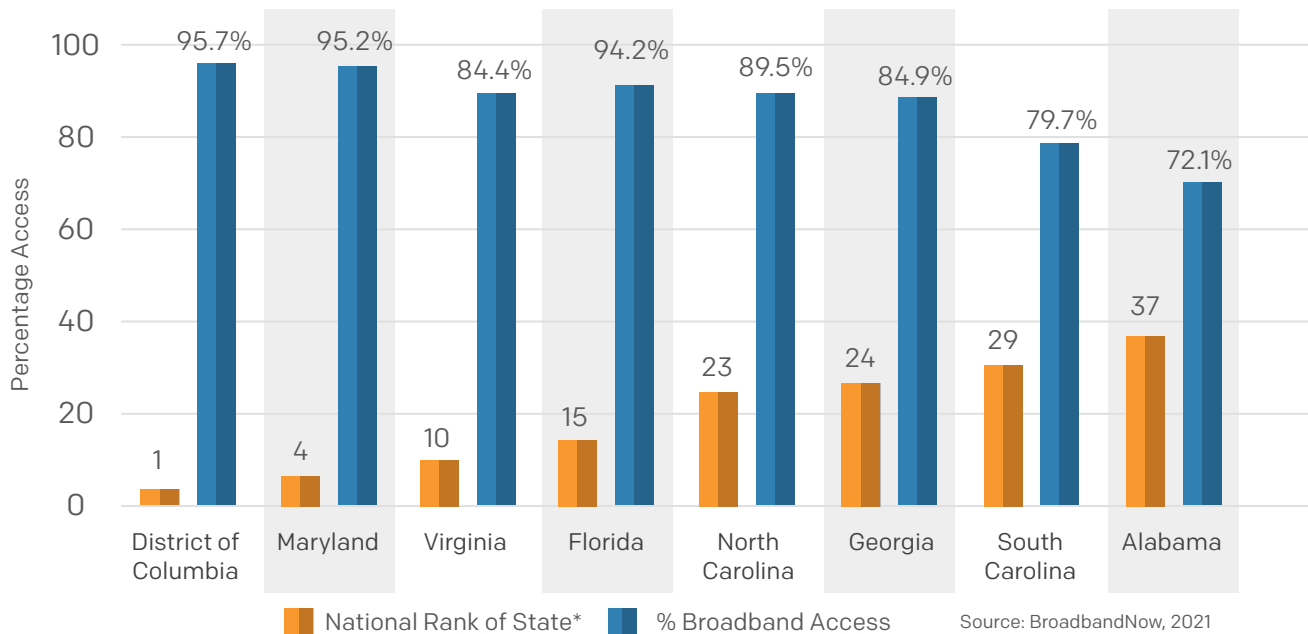


Source: Harvard Joint Center for Housing Studies, 2019

## BROADBAND ACCESS

The range of broadband accessibility across the Bank's district varies significantly. DC ranks first in the nation in terms of accessibility, while Alabama ranks 37th. (The ranking includes consideration of the access to broadband as well as the coverage, pricing and download speeds.)

### NATIONAL BROADBAND ACCESSIBILITY RANKING



**KEY TREND:** Tenant and homeowner access to broadband varies considerably throughout the Bank's district.

## DEI / DECLINE OF MDIs

In five of the states in the Bank's district, including DC, the number of MDIs has remained constant over the past five years. However, Florida has lost three MDIs, while Virginia has lost all of its MDIs and currently has none. The loss of these resources for minority communities is a concern as they provide critical support for minority businesses, entrepreneurs, residents, and homeowners in their markets.

**Excerpt:** (National Bankers Association (NBA) 2019-2020 Legislative and Regulatory Agenda)

NBA member banks have an established track record of Small Business Administration (SBA) lending and serving the needs of minority-owned businesses. The SBA, unfortunately, has a track record of not always meeting the credit needs of minority businesses. We believe that NBA member banks can play role in bridging the gap between the SBA and diverse entrepreneurs through more strategic partnerships.



**KEY TREND:** Overall, the decline in MDIs in the Bank's district over the past decade is notable.

## DEI / MINORITY SERVING ORGANIZATION DATABASE

Currently, there are numerous MSOs that exist throughout the Bank's footprint. Ongoing efforts to increase the Bank's outreach database to connect shareholders with these organizations is crucial in meeting DEI program goals.

**Database Total: 220 as of September 30, 2021**



**KEY TREND:** As part of the Bank's continued initiatives to partner and connect MSOs to our shareholders, the Bank is constantly updating the MSO database which is segmented by state, category, and type.

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## HOUSING AND PROPERTY ENCUMBERED BY TITLE ENTANGLEMENT

Nationally, and with even higher incidence in the Southern Black Belt that includes most of FHLBank Atlanta's district, there are properties that have limited financial use due to the title being clouded in some way. Frequently this is the result of a transfer without legal assistance through the death of an original owner to a family member or members, resulting in what is known as heirs' property. Heirs' property is more common among low-income community members and creates negative financial consequences for those households, as well as potentially negative impacts to the community if properties fall into disrepair. The families and individuals impacted by this issue tend to be low-income and frequently minority, and it contributes to not only blight in these communities, but also serves as a deterrent to the accumulation of wealth by these households over generations due to a loss of title to assets that could have been transferred.



**KEY TREND:** The impact to generational wealth-building for minority communities has reached a level that will require targeted efforts to resolve.

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## CLIMATE IMPACTS AND BUILDING RESILIENCY

FHLBank Atlanta's district includes coastal areas that are regularly impacted by hurricanes and similar storm activity. The frequency and intensity of storms along these coasts has increased over time, and the impact to housing has been extreme in many areas. Recurring flooding is a risk for homeowners in coastal and inland areas that have poor drainage and infrastructure, and the areas that are often the most impacted are those where land is less valuable. These areas are often the location of low-priced housing that attracts low-income and minority occupants. Those populations bear the brunt of the costs of damage and recovery, and are subject to additional expenses related to relocation as a result.



**KEY TREND:** Disaster recovery is a recurring need in many communities within the FHLBank Atlanta district.

# GOALS, STRATEGIES, TACTICS, AND QUANTITATIVE MEASURES OF SUCCESS

## PRODUCTS, SERVICES, AND KNOWLEDGE SHARING

### Products – AHP, CICA, and Voluntary Programs

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#### PRODUCT GOALS

The Bank will design and implement AHP, CICA, and voluntary programs as approved by the board of directors, in a cooperative, efficient, and effective manner to achieve the following goals:

1. Provide a strategic funding response to the emerging housing and community lending needs as identified in the Bank's Targeted Community Lending Plan
2. Leverage existing funding opportunities and platforms in the Bank's district to maximize the impact of the Bank's products
3. Increase current level of shareholder use of AHP and CICA programs commensurate with the availability of funding
4. Advance the objectives of the Bank's Strategic Plan, specifically those related to shareholder engagement and DEI

#### How the Product Goals Advance the Bank's Strategic Plan Priorities

Continue to use education and outreach and trusted advisor services to position the Bank as a resource to shareholders and to increase shareholder awareness and utilization of the Bank's products and services.

Bank Strategic Priorities Supported: Shareholder Experience and Financial and Operational Excellence.

DEI: contributes to our shareholders' success through a diverse, inclusive, and engaged culture that enables all individuals to work together to fulfill our purpose by:

- Partnering with our shareholders to build their communities through our various products and services
- Strengthening our diverse business partnerships in the financial markets to maintain a competitive advantage

## PRODUCT STRATEGIES AND TACTICS

### KEY STRATEGIES

### TACTICS

|  |   |
|--|---|
| <p><b>A.</b> Retain an AHP General Fund that provides opportunities for projects that respond to housing related healthcare delivery and broadband access objectives in the Bank's district</p>  | <ol style="list-style-type: none"> <li><b>1.</b> Retain General Fund scoring criteria that rewards projects that include healthcare delivery, referral, or services components</li> <li><b>2.</b> Retain General Fund scoring criteria that rewards projects that include broadband services, devices, or some other enhancement of access to broadband</li> </ol>  |
| <p><b>B.</b> Retain an AHP General Fund that provides incentive for shareholders to partner with MDI, CDFI, or Low-income Designated Credit Union shareholders to better serve low-income and minority communities and the subject AHP project</p> | <ol style="list-style-type: none"> <li><b>1.</b> Retain General Fund scoring criteria that rewards projects that include a shareholder loan participation or some other form of project-specific investment with a MDI, CDFI, or Low-income Designated Credit Union shareholder</li> </ol>  |
| <p><b>C.</b> Retain an AHP Homeownership Set-aside Program that provides homeownership opportunities to households whose occupations are at the forefront of local COVID-19 relief efforts and/or households impacted by natural disasters</p>     | <ol style="list-style-type: none"> <li><b>1.</b> Retain the following products               <ol style="list-style-type: none"> <li>a. First-time Homebuyer                   <ul style="list-style-type: none"> <li>• Maximum funding \$7,500</li> </ul> </li> <li>b. Community Partners                   <ul style="list-style-type: none"> <li>• Maximum funding \$10,000</li> </ul> </li> <li>c. Community Rebuild and Restore                   <ul style="list-style-type: none"> <li>• Maximum funding \$10,000</li> </ul> </li> </ol> </li> </ol>  |
| <p><b>D.</b> Reduce the per-shareholder maximum funding standard for AHP Homeownership Set-aside to help broaden the opportunity for shareholder participation</p>   | <ol style="list-style-type: none"> <li><b>1.</b> Member Funding Limit: \$500,000 per shareholder<br/><i>The Bank, at its discretion, may remove the member funding limit on or after July 31, 2022 for the remainder of the year.</i></li> </ol>  |
| <p><b>E.</b> Continued execution of Bank's CICA Strategy adopted in 2019</p>   | <ol style="list-style-type: none"> <li><b>1.</b> Implement expanded CICA marketing strategy aligned with Bank's AHP strategy of proactively leveraging products to promote community lending business and compliance needs of our shareholders               <ol style="list-style-type: none"> <li>a. Continued focus on shareholders that have mission alignment                   <ul style="list-style-type: none"> <li>• Low-Income Designated Credit Unions</li> <li>• MDIs</li> </ul> </li> </ol> </li> <li><b>2.</b> Retain the CICA Paycheck Protection Program (PPP) eligibility               <ol style="list-style-type: none"> <li>a. Subject to FHFA authorization</li> </ol> </li> <li><b>3.</b> Retain annual CICA advance limits per shareholder               <ol style="list-style-type: none"> <li>a. 2022 advance limits policy</li> </ol> </li> </ol> |

|  |   |
|--|---|
| <p><b>F.</b> Establish an AHP General Fund that provides incentive for projects with heirs' property as a component</p>  | <p><b>1.</b> Implement General Fund scoring criteria that rewards projects that involve the resolution of heirs' property challenges</p>  |
| <p><b>G.</b> Leverage our products to enhance the capacity of our shareholder CDFIs, Low-Income Designated Credit Unions, and MDIs to respond to community lending credit needs in their markets</p> | <p><b>1.</b> Continue the Bank's focus on MDI, CDFI, and Low-income Designated Credit Union shareholders via direct marketing, virtual events, and other outreach</p>   |
| <p><b>H.</b> Establish an AHP General Fund that provides incentive for shareholders to produce and/or preserve units in the FHLBank Atlanta district</p>   | <p><b>1.</b> Implement General Fund scoring criteria that rewards projects that are located within the FHLBank Atlanta district</p>   |
| <p><b>I.</b> Implement an AHP General Fund that recognizes the need for more subsidy availability for affordable housing located in communities with comparably higher cost of development</p>       | <p><b>1.</b> Implement a General Fund that allows applications for proposed projects that are located within a HUD designated DDA a maximum funding amount of up to \$750,000</p> <p><b>2.</b> Implement a General Fund that allows applications for proposed projects that are not located within a HUD designated DDA a maximum funding amount of up to \$500,000</p> |
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## EMERGING TRENDS ADDRESSED

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**KEY TREND:** When combined with increases in population and disparity in median household income, elevated poverty levels create an environment where essential services such as affordable housing are in particularly high demand.

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**KEY TREND:** Tenant and homeowner access to broadband varies considerably throughout the Bank's district.

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**KEY TREND:** Overall, the decline in MDIs in the Bank's district is notable.

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**KEY TREND:** Rental housing throughout the Bank's district remains unaffordable for the average renter.

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**KEY TREND:** Heirs' property issues throughout the Bank's district hinder the ability of impacted families to build generational wealth, impede equitable access to housing finance, and limit opportunities for homeownership.

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**KEY TREND:** Escalation of construction costs has increased during the pandemic and led HUD to designate DDAs where it is exceptionally challenging to develop affordable housing due to the higher costs.

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**KEY TREND:** Increasing home prices across the Bank's district are making affordability a challenge for low- to moderate-income residents.

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## AHP ALLOCATION

| NEW AHP   | RETURNED AHP   |
|---|--|
| <p><b>65%</b><br/>General Fund</p> <p>2022 alternates will not be funded.</p> | <p><b>0%</b><br/>General Fund</p> <p>except for the amount of funds required to fully fund the last winning 2022 AHP General Fund application, if necessary</p> <p>2022 alternates will not be funded.</p> |
| <p><b>35%</b><br/>Homeownership Set-aside Program</p>                         | <p><b>100%</b><br/>Homeownership Set-aside Program</p>   |

## PRODUCT QUANTITATIVE MEASURES OF SUCCESS

AHP allocation is based on 10 percent of the Bank's 2021 net income, plus any recaptured funds returned in 2022.

| AHP – SHAREHOLDER ACTIVITY   | CICA ADVANCES AND GRANTS   |
|--|--|
| <p><b>30</b><br/>unique shareholders<br/>General Fund</p> <p><b>70</b><br/>unique shareholders<br/>Homeownership Set-aside Program</p> | <p><b>\$5,000,000</b><br/>advance volume</p> <p><b>2</b><br/>Unique shareholders</p> |

## VOLUNTARY PROGRAM

N/A

## SERVICES – AHP, CICA, VOLUNTARY PROGRAMS

### SERVICE GOALS

The Bank will design and implement community lending and DEI services in a cooperative, efficient, and effective manner to achieve the following goals:

1. Enhance credibility and reinforce the value of the FHLBank Atlanta cooperative structure with solutions driven interactions with our shareholders
2. Contribute to our shareholders' success as their trusted advisor
3. Advance the objectives of the Bank's Strategic Plan, specifically those related to shareholder engagement and DEI

### HOW THE SERVICES GOALS ADVANCE THE BANK'S STRATEGIC PLAN PRIORITIES

Promote awareness, education, and engagement to enhance a diverse and inclusive culture at the Bank and in the communities that shareholders serve.

Bank Strategic Priorities Supported: Team Members, Shareholder Experience, and Financial and Operational Excellence.

DEI: Contributes to our shareholders' success through a diverse, inclusive, and engaged culture that enables all individuals to work together to fulfill our purpose by:

- Partnering with our shareholders to build their communities through our various products and services
- Strengthening our diverse business partnerships in the financial markets to maintain a competitive advantage

### SERVICES STRATEGIES AND TACTICS

#### KEY STRATEGIES

#### TACTICS

|  |  |
|--|--|
| <p><b>A.</b> Continue to offer financial literacy platform as a way to help ensure successful outcomes for beneficiaries of AHP and to expand financial literacy opportunities throughout our district</p> | <ol style="list-style-type: none"> <li>1. Expand awareness of and market financial literacy platform to targeted shareholders in the community bank segment</li> <li>2. Explore opportunities to expand financial literacy platform with other initiatives in the Bank's district particularly where there is a DEI objective</li> </ol>   |
| <p><b>B.</b> Continue to promote CRA Center of Excellence to better position CRA regulated shareholders for compliance success</p>   | <ol style="list-style-type: none"> <li>1. Expand awareness of and market CRA consultative services to targeted shareholders in the community bank segment</li> <li>2. Further develop CRA consultative services component related to D&amp;I objective to demonstrate where shareholder can better achieve business development success in minority communities</li> </ol>   |
| <p><b>C.</b> Connect MSOs to shareholders to achieve penetration objectives</p>  | <ol style="list-style-type: none"> <li>1. Enhance the Bank's database of MSOs that are connected to the housing, community lending, real estate, etc., industries</li> <li>2. Leverage Find a Member tool and other service and knowledge sharing events to connect MSOs and shareholders</li> <li>3. Conduct business development webinars and workshops concurrently involving the Bank's shareholders and MSOs to promote the business value of the AHP and CICA program</li> </ol> |

## EMERGING TRENDS ADDRESSED

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**KEY TREND:** As part of the Bank's continued initiatives to partner and connect MSOs to our shareholders, the Bank is constantly updating the MSO database which is segmented by state, category, and type.

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**KEY TREND:** When combined with increases in population and disparity in median household income, elevated poverty levels create an environment where essential services such as affordable housing are in particularly high demand.

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## SERVICES QUANTITATIVE MEASURES OF SUCCESS

Number of financial literacy initiatives with a DEI objective – **1 Initiative**

Number of CRA consultations – **4 Total Consultations**

Number of CRA consultations with a DEI objective – **2 Consultations**

MSO customer relationship management database – **243**

## KNOWLEDGE SHARING – AHP, CICA, VOLUNTARY PROGRAMS

### KNOWLEDGE SHARING GOALS

The Bank will design and implement knowledge sharing strategies and tactics in a cooperative, efficient, and effective manner to achieve the following goals:

1. Enhance the capacity and expertise of our shareholders to generate community development loans, access Bank products, and extend credit
2. Better position shareholders to connect with business drivers, thought leaders, and key stakeholders consistent with their business, professional development, and compliance objectives
3. Advance the objectives of the Bank’s Strategic Plan, specifically those related to shareholder engagement and DEI

### HOW THE KNOWLEDGE SHARING GOALS ADVANCE THE BANK’S STRATEGIC PLAN PRIORITIES

Continue to use education and outreach to position the Bank as a resource to shareholders and stakeholders to increase shareholder awareness and utilization of the Bank’s products and services.

Bank Strategic Priorities Supported: Shareholder Experience and Financial and Operational Excellence.

DEI: Contributes to our shareholders’ success through a diverse, inclusive, and engaged culture that enables all individuals to work together to fulfill our purpose by:

- Partnering with our shareholders to build their communities through our various products and services
- Attracting, engaging, and developing a diverse, high-performing workforce that reflects the communities we serve
- Strengthening our diverse business partnerships in the financial markets to maintain a competitive advantage

### KNOWLEDGE SHARING STRATEGIES AND TACTICS

#### KEY STRATEGIES

#### TACTICS

**A.** Create and execute Bank-sponsored forum to enable shareholders and stakeholders to discover new opportunities in addressing the heirs’ property challenge and solutions in the Bank’s district

1. Host one knowledge sharing forum on addressing the heirs’ property challenge and solutions in the Bank’s district
2. Leverage AHAC, board members, and shareholder relationships to execute the knowledge sharing forum

**B.** Support forums, events, and activities sponsored by other organizations consistent with the DEI goals of the Bank

1. Establish calendar of potential forums, events, and activities that are consistent with the DEI goals of the Bank
2. Engage with MSOs and targeted and related industry or trade groups, to promote understanding and support of the Bank’s DEI goals

## EMERGING TRENDS ADDRESSED

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**KEY TREND:** Overall, the decline in MDIs in the Bank’s district is notable.

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**KEY TREND:** As part of the Bank's continued initiatives to partner and connect MSOs to our shareholders, the Bank is constantly updating the MSO database which is segmented by state, category, and type.

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**KEY TREND:** Within the Bank’s district the challenges faced by low-income and minority communities whose properties have tangled titles creates a significant barrier to their prospects for wealth accumulation and homeownership.

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## KNOWLEDGE SHARING QUANTITATIVE MEASURES OF SUCCESS

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Number of Bank-sponsored knowledge sharing activities  
related to heirs’ property – **1**

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Bank participation in knowledge sharing activities that support DEI goals – **2**

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