



January 8, 2003

J. Edward Norris, III
Chairman
Federal Home Loan Bank of Atlanta
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

RE: Implementation of Federal Home Loan Bank of Atlanta Capital Plan (2003-APP-01)

Dear Mr. Norris:

On April 10, 2002, the Board of Directors of the Federal Housing Finance Board (Finance Board) approved the capital plan of the Federal Home Loan Bank of Atlanta (Bank) subject to the Bank receiving approval of its risk assessment procedures and controls and its internal market risk model. We reviewed the materials submitted by the Bank supporting approval of its risk assessment procedures and controls, as well as supervisory materials regarding its risk exposure and risk management practices, and discussed these issues with Bank management. Our review of the Bank's internal market risk model also is underway.

[REDACTED]

We have discussed the specifics of these issues with President Christman, who has agreed with the recommendations and has agreed to develop an action plan to incorporate the enhancements into the Bank's 2003 strategic plan and risk assessment process. President Christman has also agreed to present the action plan to the Bank's board of directors for review and approval and submit the plan to us by February 28, 2003. We will review that submission as part of our final decision to approve the Bank's risk assessment procedures and controls and its internal market risk model.

Sincerely,

/s/ Stephen M. Cross

Stephen M. Cross
Director, Office of Supervision

cc: Raymond R. Christman, President and CEO
Gwen Grogan Scott Smith Kari Walter David Poston
Arnold Intrater Charlotte Reid Pat Sweeney Atlanta File