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Constant is the need for affordable housing in local neighborhoods, as families continue to hope for safe, secure places to live. Also constant is the commitment community banks make to fill that hope, lending a hand to homebuyers in areas they serve.

Sometimes, though, putting hope and home together requires more than either buyer or bank can offer. That's where FHLBank Pittsburgh steps in with programs and dollars that put "sold" signs on houses, helping to turn them into affordable homes for families in need, all across the region.

Homeownership at Risk: Our Partnership Can Make a Difference

A weak national housing outlook and tightening credit markets make it imperative that those of us with a stake in community investment assure the flow of home loans to all who need them, especially those with modest incomes. While we are concerned about families struggling today, we and our partners must not forget our ongoing role of helping qualified first-time homebuyers secure affordable mortgages.

FHLBank Pittsburgh is committed to helping its member financial institutions assist families and individuals who seek the American dream of homeownership – especially where funding gaps exist. Some of this demand is met by the FHLBanks’ core mission – providing liquidity to member banks, which use that funding to lend to their customers, many of whom are first-time homebuyers.

However, for families ready to buy but who have not yet accumulated enough money for down payment and closing costs, certain FHLBank Community Investment programs offer critical funding delivered through member banks.

This report underscores the importance of FHLBank’s First Front Door program, which

provides up to \$5,000 in down payment and closing cost assistance to first-time homebuyers with modest incomes. FFD has committed more than \$25 million to approximately 6,400 first-time homebuyers. A major key to the program’s success is the homeownership counseling component, which prepares those owning for the first time to stay in their homes as long as they choose.

FHLBank’s Affordable housing program also goes a long way toward easing families into homeownership. Since 1990, FHLBank Pittsburgh has committed more than \$39 million in AHP dollars to projects specifically targeted to homeownership. Those funds have meant more than 5,500 additional new homes for homebuyers all across the region.

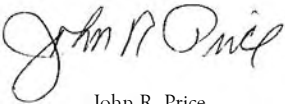
Beyond homeownership, FHLBank Pittsburgh continues to channel ready assistance to others in need – renters seeking affordable housing, small-business owners starting or growing their businesses, towns and municipalities upgrading infrastructure, community leaders in quest of knowledge and resources, young people requiring personal financial education. 2007 was indeed

a banner year for FHLBank's community investment programs, both in the amount of dollars committed and the number of people helped across the district. With targeted programs and initiatives, FHLBank lent a hand to the region's hopeful, working with its partners to make lives better. In 2007 alone, 44 members - more than 13% - began using FHLBank's Community Investment programs for the first time.

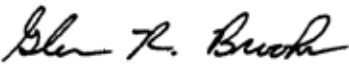
To this end, FHLBank highly values the dedication and contributions made by the Affordable Housing Advisory

Council and the Community Investment & Public Policy Committee of the Board of Directors throughout the year.

Despite recent trends, owning a home has historically created greater wealth, happiness and self-esteem. It propels more young people into higher education and creates a more sustainable tax base for communities. Homeownership is the kind of neighborhood development that lasts. FHLBank Pittsburgh values highly its partnership with you, our members, whom we commit to serving every day. We pledge to continue lending a hand to you so that you can better turn hopes into homes, in 2008 and beyond.



John R. Price
President & CEO
FHLBank Pittsburgh



Glenn R. Brooks
Chair, Affordable Housing
Advisory Council



Paul E. Reichart
Chair, Community
Investment & Public Policy
Committee of the Board



a HOPE



For Mark and Julie Petras of Commodore – a rural town of about 350 residents near Indiana, Pennsylvania – the hope of owning their own home was at the top of their wish list. While living with Mark’s father, the Petrases became proud parents of twins, Madison and Brady, now two-and-a-half. Not surprisingly, they needed more space for their family to grow into, and they yearned for a place they could call their own.

As the Petrases became more financially stable, they began to work toward homeownership.

Mark earned more seniority in his job as a fabricator for PolyVision – a manufacturer of whiteboards and other presentation products in nearby Dixonville. Though it was hard, Mark and Julie also started to

“We pulled up to the house and it was wow! This is the one.”

save some money. Along with their hope came a steady faith. Said Julie, “My mother told

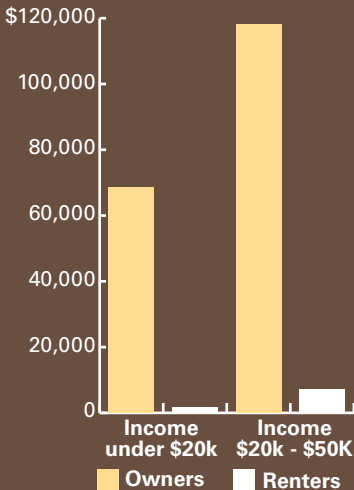
me God wouldn't give us twins without a way for us to take care of them."

Eventually, the Petras family began to search for a suitable home. They looked at a number of houses in the area. Some were, unfortunately, out of their price range. Others had features that seemed unsafe for children. Finally, they found what they had hoped for: "We pulled up to the house and it was wow!" said Julie. "This is the one." Said Mark, "It had everything we wanted in it." But could they afford it?

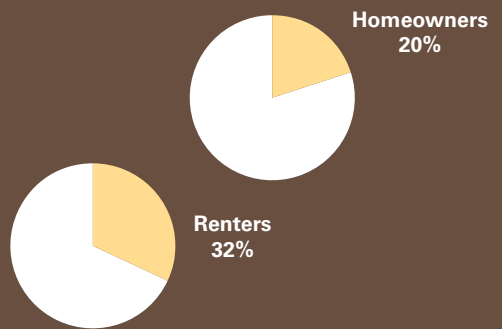
The hope for safe, decent and affordable homes remains strong all across FHLBank Pittsburgh's district. With the fulfillment of this hope comes the opportunity for families to create personal wealth, to better educate their children and to become a more integral part of their communities. With all these benefits, it's no wonder owning a home has become the single most important hope of Americans nationwide.

Why Families Hope for Homeownership

Median Net Wealth of Owner and Renter Households¹



Median Monthly Housing Costs as Percent of Current Income²



- Homeowners move less often and are active in the same communities longer than renters.³
- Families who rent are three times more likely to live in crowded conditions – more than one person per room – than families who own homes.⁴
- Homeowners enjoy better physical and psychological health, and are less likely to become victims of crime, than renters.⁵
- Children of homeowners attain higher levels of educational achievement and higher lifetime annual incomes than do those of renters.⁶

a HAND



Even before they began looking in earnest for a home, Mark and Julie Petras visited their local community bank to see what they could afford. The Petrases already had a checking account at the nearby Clymer branch of First National Bank of Pennsylvania, so it seemed natural to go there for preapproval. Branch manager Fay Brown was ready to lend a hand. “Fay answered all our questions,” said Mark. “She gave us a number we could work with.”

Since 1864, First National Bank of Pennsylvania has been

committed to the growth and vitality of communities across Pennsylvania and northeastern Ohio. Mortgage lending has always been a big part of this mission, especially making loans to first-time homebuyers. “It’s

“It’s a good feeling to know you’re helping to keep young people in local towns and neighborhoods.”

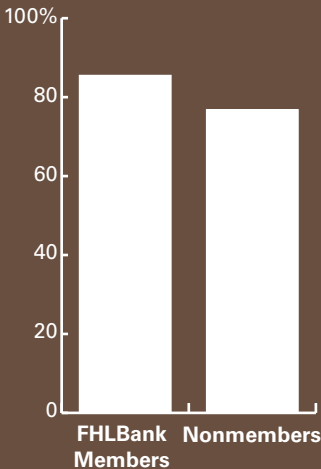
always exciting to put people in their first homes,” said Fay. “It’s a good feeling to know you’re helping to keep young people in local towns and neighborhoods.”

Once Mark and Julie found the home they wanted to buy, they returned to FNB to try to secure a mortgage. Fay examined the Petras family’s finances and determined they would indeed be able to afford the mortgage payments. “Unfortunately they didn’t quite have enough saved for the down payment and closing costs,” said Fay. Not to panic, though. There was still one option available to the Petrases, should they qualify...

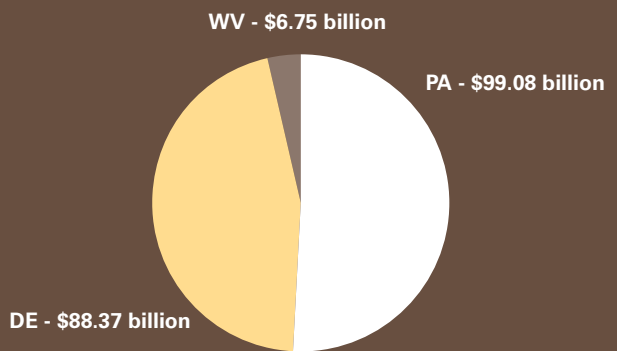
Each year, community banks across FHLBank Pittsburgh’s district go about the business of lending a hand to people who need it. By making mortgages available, many to first-time homebuyers with modest incomes, community banks create positive change in the communities they serve. With their strong commitment to affordable housing and economic development, community banks are a vital link in providing a higher quality of life to people everywhere.

Banks Lend a Hand to the Home Buying Public

Mortgage Origination Rates in Underserved Areas⁷



Mortgage Dollars Banks Delivered to Homebuyers in 2007⁸



- In 2007, financial institutions across the U.S. made more than \$2 trillion available in residential mortgage loans.⁹
- A total of 347 banks across Delaware, Pennsylvania and West Virginia – nearly all of them FHLBank members – made mortgage loans in 2007.¹⁰
- Roughly 40% of community banks are involved in financial literacy programs, including education for first-time homebuyers.¹¹
- Many FHLBank member financial institutions have special programs to assist first-time homebuyers.

a HOME



When Mark and Julie Petras learned they didn't have enough savings to buy the home they hoped for, FNB's Branch Manager Fay Brown had an idea: FHLBank Pittsburgh's First Front Door program. Through FFD, FHLBank matches a qualified buyer's contribution 3-to-1, based on the buyer's need. For every \$1 of contribution the buyer makes, FHLBank will provide \$3 in grant assistance, up to a maximum of \$5,000.

As required by FFD, Mark and Julie attended homeownership counseling provided by Partners in Neighborhood Revitalization Inc. of Johnstown, PA.

With a quick approval from FHLBank Pittsburgh, FFD offered the Petrases a grant of just over \$4,000, enough to cover their down payment and closing costs. "We really

"It's great to know there are programs out there helping people who need it."

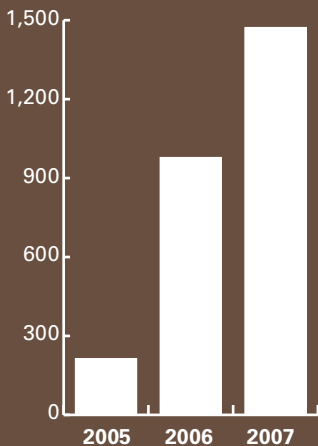
appreciate getting this grant," said Julie. "It's great to know there are programs out there helping people who need it."

The Petras family moved into their new three-bedroom home in October 2007. Sitting amid a row of homes built when coal mining was the local industry, the Petrases' home has the added advantage of being across the street from a grassy field – part of a former schoolyard – where Madison and Brady can play. A fire station is just down the block. “We really like this house,” said Mark. “Plus I feel more grown up and responsible than ever before.”

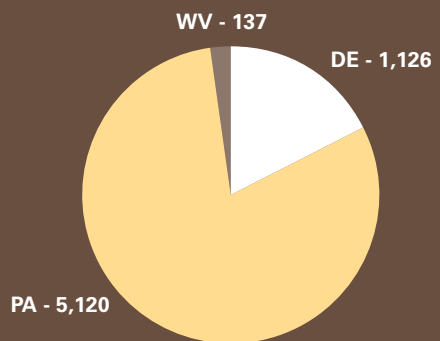
As is often the case, prospective homebuyers across the region can afford to make mortgage payments on homes they want to purchase, if only they had a little assistance with upfront costs. FHLBank Pittsburgh's First Front Door program fills that need, helping qualified homebuyers at or below 80% of the area median income to buy their first home. With member banks lending a hand, First Front Door turns hope into homes, one family at a time.

First Front Door Turns Hope into Homes

FFD Homebuyers Funded



FFD Grants Since 1997, by State



- Since program inception in 1997, FFD has provided more than \$25.3 million in grants for down payment and closing costs.
- Approximately 6,400 families and individuals all across the region have taken advantage of FFD.
- The number of member banks who have introduced FFD to their customers has grown to more than 100.
- A total of 111 counseling agencies across Delaware, Pennsylvania and West Virginia are approved to offer homeownership counseling to homebuyers

2007 Community Investment At-A-Glance

By most standards, 2007 was a year in which FHLBank's community investment programs and initiatives helped record numbers fulfill their hopes and achieve their goals. Here's a snapshot of the year's highlights and achievements.

44 Members Begin Using Programs

A total of 44 members – a full 13% – began using FHLBank's Community Investment programs and initiatives for the first time in 2007. Whether it was submitting a successful AHP application, assisting first-time homebuyers through FFD, or participating in the Blueprint Communities initiative, member banks showed that they're ready to lend a hand to communities all across the region.



Record AHP Funding Committed

2007 was a record year for the Affordable Housing Program, which committed \$17.85 million in grants to 64 projects. Made through member banks, the grants will help create 2,112 units of housing for projects with total development costs of more than \$300 million. FHLBank Pittsburgh's AHP has

now committed more than \$140 million to build or rehabilitate more than 24,000 affordable housing units since 1989.

My Money, My Life Sees More Progress

A one-year high of 212 at-risk young people in Allegheny County graduated from the free financial literacy program, My Money, My Life, in 2007. With instruction provided by

Neighborhood Housing Services, Inc., My Money, My Life remains on target for graduating approximately 200 low-income young adults each year through 2009.

Pilot Homeowner Rehabilitation Program Launched

Seven sponsoring organizations are in the process of distributing an FHLBank commitment of \$1 million to fund a variety of neighborhood revitalization projects. The Pilot Homeowner Rehabilitation Program provides housing repair and rehabilitation

assistance to homeowners with income at or below 80 percent of the median income in their area.

FFD Bests Previous Funding Marks

FHLBank Pittsburgh's First Front Door program bested all previous years by funding more than \$6.5 million in 2007. With mortgage officers at member banks taking the lead, a total of 1,639 first-time homebuyers received commitments for down payment and closing cost assistance through the program, which has now crested the \$25 million mark in funding since 1997.

BC Gains Momentum in Pennsylvania, West Virginia

Blueprint Communities, a community leadership and revitalization initiative of



FHLBank Pittsburgh, saw strong progress in 2007, with 10 new community teams from West Virginia completing a series of training, planning and resource workshops. Meanwhile,

Pennsylvania communities, of which 22 completed BC workshops in 2006, continued their hard work toward sustainability.

BOB Financing Surpasses Prior Years

The Banking On Business program surpassed all prior years with a total of \$6.2 million in recoverable assistance made in 2007. In all, BOB provided financing through member banks to 60 businesses, preserving or creating nearly 600 jobs in the region. BOB has now provided more than \$31 million in financing to more than 350 businesses since program inception in 2000.

Community Development Investing Sustained

As in previous years, FHLBank Pittsburgh continues to invest in regional community development by purchasing taxable bonds that benefit housing in the region. In 2007, FHLBank Pittsburgh purchased a \$22.5 million bond from the Pennsylvania Housing Finance Agency, a portion of which was used to buy mortgage loans for single-family residences for persons and families of low and moderate incomes.

2007 Pillars of the Community Awards

The Pillars of the Community Awards honor member financial institutions for outstanding projects that create housing for lower-income families and that promote community stability and revitalization throughout Delaware, Pennsylvania and West Virginia. The awards are presented annually at the Federal Home Loan Bank of Pittsburgh's Regional Conferences.

First Citizens National Bank Mansfield, PA

First Citizens National Bank has used FHLBank community investment programs with excellent success, calling often on the Community Lending Program - CLP - to channel



more than \$18 million in at-cost loans to help upgrade infrastructure and improve local schools. Also a user of AHP, BOB and FFD, First Citizens has been an exemplary community partner as well.

In recognition of this award, FHLBank Pittsburgh made a \$1,000 contribution to the American Cancer Society's Relay for Life program.

Fulton Bank Lancaster, PA

Fulton Bank has led the way in community development in south central Pennsylvania, channeling nearly \$5 million in funds from FHLBank's AHP to 26 projects in the local area. A frequent user of CLP and FFD - and an active partner in community projects - Fulton Bank is having a lasting impact on communities that stretches far into the future.

In recognition of this award, FHLBank Pittsburgh made a \$1,000 contribution to the Lancaster Housing Opportunity Partnership.

Huntingdon Valley Bank Huntingdon Valley, PA

Huntingdon Valley Bank has put FHLBank's community investment programs to good work, helping communities of Montgomery and Bucks counties build a better future. Huntingdon Valley has helped more than 85 first-time homebuyers benefit from the FFD program, distributing nearly \$400,000 in assistance for down payment and closing costs.

In recognition of this award, FHLBank Pittsburgh made a \$1,000 contribution to Willow Grove Community Development Corporation.

WesBanco Bank
Wheeling, WV

Taking a leadership role in community and economic



well, WesBanco also placed representatives on two of the ten West Virginia Blueprint Communities teams.

In recognition of this award, FHLBank Pittsburgh made a \$1,000 contribution to the Blueprint Communities teams in Salem and Shinnston, WV.

development, WesBanco Bank has made more than \$1 million in AHP funds available, benefiting low-income renters and homebuyers alike. A user of FFD, BOB and CLP as

2007 Affordable Housing Advisory Council's Award

Each year, FHLBank's Affordable Housing Advisory Council selects an individual who demonstrates a lifelong commitment to affordable housing and whose career leadership has achieved important and lasting results in the community.



A. Hughlett Kirby
Vice President of Commercial Real Estate
Wilmington Trust Company
Wilmington, Delaware.

2008 Blueprint Communities

Revitalization Initiative Embraces Delaware

Pennsylvania paved the way in 2005 with 22 community teams. West Virginia took its turn in 2007 with 10. Now, in 2008, Delaware is getting its chance, with teams from nine communities undergoing

Blueprint Communities will provide each team with community development training valued at approximately \$25,000, a mini-grant and improved access to funding sources. The University of Delaware's Center for Community Research and Service is providing training and technical assistance to the teams.



The team from Belevedere/Cedar Heights and Vicinity launches their Blueprint Communities efforts at Banner Day.

extensive training in leadership and community planning. FHLBank Pittsburgh's Blueprint Communities targets comprehensive revitalization of aging communities, aiming to restore vitality and forge partnerships with other community stakeholders.

The Delaware initiative kicked off on March 10 with a "Banner Day for Blueprint Communities" event, held on the University of Delaware campus in Newark. First State Gov. Ruth Ann Minner, U.S. Sen. Thomas Carper and U.S. Rep. Michael Castle joined FHLBank President and CEO John Price to help induct the nine new leadership teams.

"FHLBank is pleased to embark on the third leg of Blueprint Communities within our district," said John Price. "Wonderful strides in community organization, planning and development have been made in a very short

time by many of the teams in Pennsylvania and West Virginia. We expect the same thing to happen once our Delaware teams complete their training.”

In addition to providing approximately \$250,000 for the training, FHLBank Pittsburgh is setting aside funds in its Banking On Business and First Front Door programs to assist Blueprint Communities in small business startup and growth and first-time homeownership. Competitive scoring criteria for the Affordable Housing Program have also been aligned to support projects from communities that have holistic development plans.

The Delaware Community Investment Corporation has committed \$100,000 to be used as seed grants by Blueprint Communities once they have completed training. Each community team includes a



Gov. Ruth Ann Minner addresses the assembled Blueprint Communities teams, sponsors and partners at Banner Day.

representative from an FHLBank member financial institution, including Citicorp Trust Bank, JPMorganChase, PNC Bank, Wilmington Savings Fund Society and Wilmington Trust.



Representatives from all nine Blueprint Communities teams join dignitaries to unfurl a replica of the banners each team received.

“The commitment to positive community development FHLBank Pittsburgh has exemplified through its support of Blueprint Communities comes at a time when a large number of communities around the country are struggling,” said Eugene Rudder of the Wilmington Housing Authority and a member of the team representing the Riverside community of Wilmington. “As someone who works with hard-to-reach communities, this commitment is both appreciated and highly valued. Thank you for believing in us and, more importantly, thank you for creating the opportunity for us to learn and to share that knowledge with our respective communities.”

Community Investment Programs At-A-Glance

FHLBank Pittsburgh offers programs and services gauged to meet community investment needs in the region. The flexibility of these programs makes it possible to support a wide range of projects, including:

- Affordable rental housing
- Owner-occupied housing
- First-time homebuyer assistance
- Small-business development
- Public works improvements
- Infrastructure building
- Job creation and retention
- Commercial lending

By taking advantage of FHLBank's grants and below-market-rate loans, member financial institutions can fund the unique credit needs of their communities and still have a positive impact on their bottom line.

Affordable Housing Program (AHP) – provides grants and below-market-rate loans made through member financial institutions to affordable housing projects in competitive funding rounds.

Banking On Business (BOB) – offers ongoing funding in the form of recoverable assistance made through member financial institutions to small businesses for start-up and expansion costs.

Community Lending Program (CLP) – offers loans through member financial institutions to community development projects that benefit communities, create jobs or build infrastructure.

First Front Door (FFD) – provides grants through member financial institutions to qualified first-time homebuyers to assist with down payments and closing costs.

For more information or to obtain application forms or assistance, contact the Community Investment Department at 1.800.288.3400, x 2826, or visit FHLBank's public Web site at www.fhlb-pgh.com.

Community Investment Assistance

FHLBank Pittsburgh's Community Investment Department staff is available to provide financial institutions, community-based organizations and affordable housing developers with assistance in the following areas:

Community Investment Department Application Assistance

FHLBank offers application assistance to members, community-based organizations or housing developers interested in submitting applications for the AHP, BOB, CLP or FFD programs. Assistance includes a complete review of the application, including general information and financial documentation, assistance with application composition and presentation, and explanations of responsibilities associated with each program.

Project Development

FHLBank can provide technical assistance on project development. This assistance is limited to the project's use of FHLBank's community investment products. Assistance includes complete explanations of how FHLBank products can be used in conjunction with housing and community development projects, consultation on funding

structure and overall project enhancement.

Community Development Partnership Building

FHLBank will provide consultation on partnership building as a means to improve the effectiveness and competitiveness of projects. Performed on a case-by-case basis, staff can direct, advise and, on a limited basis, engage in strategic partnership building to assist members and housing providers in developing their project.



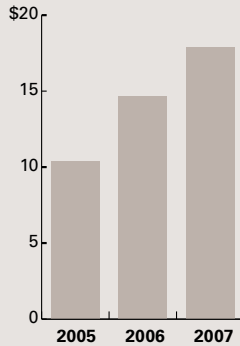
Effective Use of Community Investment Products and Services

FHLBank will work with members, community-based organizations and housing developers in the strategic use of the Bank's community investment products and services. Securing the funding is only part of the need. The Community Investment Department is available to assist in the overall implementation and strategic use of the various products and services.

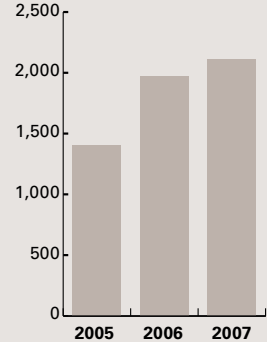
Affordable Housing Program

(dollars in thousands)	2007	2006	2005	2004	2003
Total subsidies awarded	\$17,850	\$14,661	\$10,370	\$4,817	\$4,811
Number of housing units	2,112	1,974	1,401	765	530
Total development supported	\$302,347	\$251,658	\$181,470	\$67,864	\$46,846

AHP Subsidies Awarded (millions)



Number Of Housing Units



When it comes to turning hope into homes, the Affordable Housing Program (AHP) has been doing it in a big way since 1989. FHLBank Pittsburgh sets aside approximately 10% of its net income for community investment, the bulk of which is awarded through the AHP program in competitive funding rounds. Each year, millions of dollars in funding go to projects that provide affordable housing to individuals and families whose incomes are defined as low (51-80% of area median) or very low (50% and below of area median), ensuring housing affordability regionwide.

What's New in 2008

- FHLBank Pittsburgh has allocated \$19.8 million to AHP in 2008, to be disbursed in two funding rounds.
- The 2008 application deadlines are April 9 and September 25.
- There is an increased emphasis on project feasibility, and additional documents will need to be submitted with the application.

Eligible Uses

AHP provides both grants and subsidized loans to be used for:

- Single- and multi-family housing
- New construction and rehabilitation
- Rental and owner-occupied homes
- Scattered-site development
- Transitional and single-room-occupancy units.

AHP projects also assist special-needs populations such as the frail elderly, the homeless, people with disabilities and victims of domestic violence. Rental projects must target at least 20% of the units to very-low-income households.

Members: How to Participate

Member financial institutions chartered in Delaware, Pennsylvania and West Virginia may apply for AHP funds. Members submit applications on behalf of project sponsors – typically nonprofit, local government, housing authority or for-profit housing development organizations. As a rule, members review applications for feasibility and forward them to FHLBank for consideration in the current funding round.

Community Partners: How to Participate

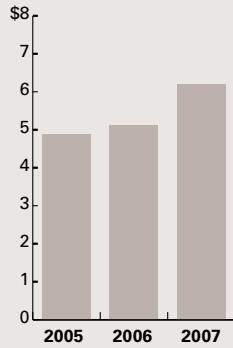
Sponsoring organizations prepare an application and submit it to a member bank to be considered for AHP funding. FHLBank offers application assistance to interested parties. Assistance may consist of a complete review of the application, including general information and financial documentation, assistance with application composition and presentation, and explanations of responsibilities associated with AHP.



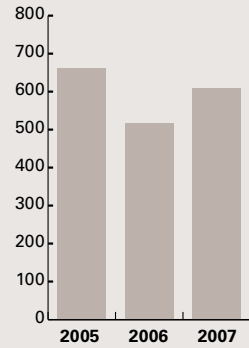
Banking On Business

(dollars in thousands)	2007	2006	2005	2004	2003
Total funds committed	\$7,070	\$6,636	\$3,000	\$4,376	\$3,781
Total amount funded	\$6,200	\$5,126	\$4,884	\$2,482	\$3,027
Businesses funded	60	48	50	25	27
Jobs preserved/created	609	517	662	423	522

BOB Amount Funded (millions)



Jobs Preserved/Created



In addition to homes, FHLBank Pittsburgh helps turn hope into jobs, too. The Banking On Business (BOB) program helps eligible small businesses with start-up and expansion assistance that's leveraged with member financing. When banks are unable to lend money to small businesses - especially ones that lack sufficient equity or cash flow - BOB funding makes these deals more bankable. The result is that more businesses are able to get off the ground and grow, saving or creating jobs all across the district.

What's New in 2008

- For 2008, FHLBank Pittsburgh has approximately \$7 million available in BOB funding to help eligible small businesses in the region.
- FHLBank will open the program with registration periods beginning February 19, 2008 and August 4, 2008. Approximately \$3 million will be allocated to each funding cycle on a first-come, first-served basis.

- FHLBank will set aside \$1 million in BOB funding for the participating Blueprint Communities in Delaware, Pennsylvania and West Virginia until June 30, 2008.

Eligible Uses

BOB funds may be used in financing the start-up or expansion of a small business and may be applied toward:

- Purchase of a building
- Land acquisition and construction
- Expansion of a facility
- Purchase of machinery/equipment
- Leasehold improvements
- Permanent working capital
- Closing costs

How to Participate

Member financial institutions submit an enrollment form and sign a Banking On Business Master Agreement upon enrollment approval. There is no deadline for enrollment, which can be made throughout the year. Members then submit a small-business registration form for each business requesting BOB funding.

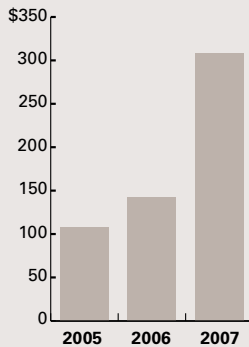
Applicants are encouraged to use Small Business Development Centers and similar entities to provide ongoing technical assistance to small businesses participating in the program. BOB's ongoing community impact includes creating/retaining jobs, promoting local economic growth, and assisting members in providing capital to underserved areas and for underserved populations.



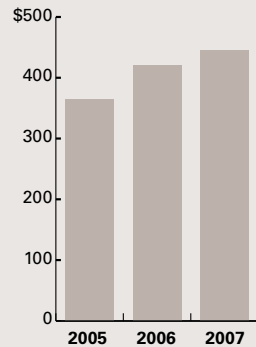
Community Lending Program

(dollars in thousands)	2007	2006	2005	2004	2003
Total amount in refinance and new project development loans	\$307,723	\$142,319	\$107,255	\$81,888	\$48,346
Total balances outstanding	\$445,099	\$420,755	\$364,028	\$305,033	\$269,910

CLP Loans (millions)



Total Balances Outstanding (millions)



While FHLBank Pittsburgh’s Community Lending Program (CLP) can turn hope into homes, it may also be used for other economic development and community projects as well. With below-market-rate loans distributed through member financial institutions to qualified projects, CLP is an excellent way to manage interest rate risk while creating positive change in communities. CLP funds are competitively priced and available anytime throughout the year, with terms that can be customized to best meet the funding need.

What’s New in 2008

- There are no changes to this program for 2008.
- Funding from an \$825 million loan pool distributed on an as-needed basis.

Eligible Uses

CLP funding may be used for a variety of housing, economic development and community projects to:

- Acquire real estate or equipment for a business in a qualified income census tract.
- Build a community facility, such as a theater or park, that serves a qualified rural county.
- Improve infrastructure or a site in a lower-income municipality to support a business park.
- Renovate a manufacturing facility to create jobs for low- to moderate-income persons.
- Provide permanent financing for apartments for moderate-income households.
- Fill equity bridge financing for a Low Income Housing Tax Credit project.
- Construct office space for a nonprofit agency serving persons with mental illness.

How to Participate

Member financial institutions should complete and submit the application and all necessary supplemental material to FHLBank Pittsburgh. There is no deadline for submitting CLP funding applications, and application processing time is generally five to ten working days from receipt. CLP funds must be drawn down from FHLBank's Money Desk within 90 days of loan origination.



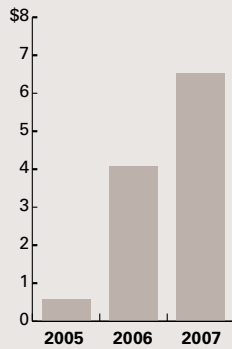
CLP offers competitive pricing at FHLBank's cost of funds and access to multiple financial structures. Member financial institutions may tailor the terms to best fit the project. Financing structures include lines of credit, fixed- or variable-rate loans, fixed rates up to 30 years, forward rate lock options, and permanent construction or bridge financing.

First Front Door

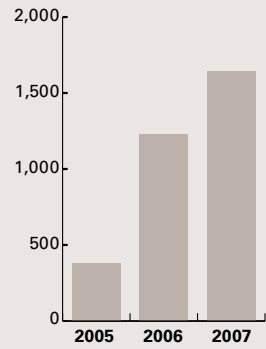
(dollars in thousands)	2007	2006	2005	2004	2003
Total amount allocated	\$6,052	\$4,675	\$2,680	\$770	\$1,335
Homebuyers enrolled	1,639	1,226	377	546	590
Total amount disbursed	\$6,535	\$4,064	\$586	\$960	\$1,745
Homeowners funded	1,469	978	213	343	469

*Prior to 2006, First Front Door was named the Home Buyer Equity Fund.

FFD Amount Disbursed (millions)



Homebuyers Enrolled



FHLBank Pittsburgh’s First Front Door (FFD) program is specifically geared to turning hope into homes. FFD helps first-time homebuyers at or below 80% of the area median income with down payments and closing costs. For every \$1 of participant’s contributions, FHLBank Pittsburgh will provide \$3 in FFD grant assistance, up to a maximum of \$5,000. With a homeownership counseling component central to the program, and provided by certified agencies, more first-time buyers are able to both purchase a home and stay in it for as long as they wish.

What’s New In 2008

- FHLBank Pittsburgh has allocated approximately \$6 million to FFD in 2008.
- Settlement costs should be in compliance with the Federal Reserve Standards.
- Homeownership counseling agencies listed on the HUD Web site as approved agencies are also approved for FFD. All other agencies not previously approved by FHLBank’s Community Investment Department must be submitted for approval.

Eligible Uses

Eligible uses include down payment and closing costs.

Members: How to Participate

Member financial institutions chartered in Delaware, Pennsylvania and West Virginia can access funds on behalf of qualified first-time homebuyers. Members submit an enrollment form and sign an FFD agreement upon enrollment approval. Participating members register participants in the program. The member provides funds at closing, then is reimbursed by FHLBank.

Homebuyers must attend a pre-homeownership counseling program, and members must contribute measurable concessions to the affordability of the house. Concessions include some form of tangible, measurable financial contribution toward the participant's mortgage (waived or reduced fees, below-market interest rates, reduction in points, etc.).

Community Partners: How to Participate

Approved counseling organizations can serve as a network to pool potential homebuyers for FFD, as well as for obtaining a mortgage through a member bank. This partnership can create additional viable solutions for low-income individuals and families trying to attain homeownership.



2008 Affordable Housing Advisory Council



L-R: Gloria Guard, Nathan Yoder, Glenn Brooks, Mary Hunt-Lieving, Paul Calistro, Fred Banuelos, Penny Eddy, Brenda Wells and Ronald Miller. Missing from photo: Daniel Betancourt, Beverly Coleman, Kelley Goes, Chris Gulotta, Lamont McClure and Larry Segal.

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Executive Director
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McKean County Housing and
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Community Investment Department



L-R: Shawnda Gilliard, William Joseph, Elaine Evosevic-Lozada, Linda Kruse and John Bendel. On steps: Terrence Cronin, Dorothy Pegdan, Cathy Rinchetti and David Buches. Back row: Gwynn Lind, Laura Kemp-Rye and Ann Killian. Not pictured: Brent Anderson.

John Bendel
Director

Laura Kemp-Rye
Community Investment Consultant

Brent Anderson
Community Development
Specialist

Ann Killian
Community Relationship
Specialist

David Buches
Community Investment Manager

Linda Kruse
CID Specialist - Compliance

Terrence Cronin
CID Manager - Compliance

Gwynn Lind
CID Programs Manager -
Administration

Elaine Evosevic-Lozada
Community Investment Intern

Dorothy Pegdan
Administrator

Shawnda Gilliard
CID Analyst

Cathy Rinchetti
CID Specialist - AHP

William Joseph
Community Investment Consultant

2008 Community Investment Goals

We in FHLBank Pittsburgh's Community Investment Department, working with member banks and community partners, pledge to fairly and faithfully administer the programs and initiatives within our purview.

In addition, we are committed to the following goals for 2008:

- Implement or participate in an initiative that addresses the foreclosure issue in FHLBank's district.
 - Continue to increase the number of member banks who use community investment programs or initiatives.
 - Complete a new public finance negotiated transaction.
 - Research and present to the Board opportunities in: (a) community, economic development finance and/or (b) infrastructure finance that can be developed and implemented in 2009.
- Launch Blueprint Communities in Delaware.
 - Increase use of FHLBank's Community Investment products in Blueprint Communities in all three district states.
 - Enhance the Affordable Housing Program (AHP) by:
 - Modifying the feasibility standards and review process
 - Exploring system (database) alternatives
 - Seeking opportunities to improve the Community Sustainability and Operating Efficiency categories
 - Evaluate the Pilot Housing Rehabilitation Program.



A handwritten signature in black ink that reads "John Bendel". The signature is written in a cursive, flowing style.

John Bendel
Director,
Community Investment
FHLBank Pittsburgh

Statistical Endnotes

- 1 University of Harvard's Joint Center for Housing Studies tabulations of the 2004 Survey of Consumer Finance.
- 2 American Housing Survey for the United States: 2005, U.S. Census Bureau, Current Housing Reports, Series H150/05, 2006.
- 3 "Social Benefits of Homeownership and Stable Housing," National Association of REALTORS® Research Division, January 2006.
- 4 "The Costs and Benefits of Homeownership," Shannon Van Zandt, Center for Urban and Regional Studies, University of North Carolina at Chapel Hill, March 2003.
- 5 "Social Benefits of Homeownership and Stable Housing," National Association of REALTORS® Research Division, January 2006.
- 6 Ibid.
- 7 "A Comparative Analysis of FHLBank Member Mortgage Lending," Courchane and Steeg, Welch Consulting, February 25, 2005.
- 8 "Statistics on Depository Institutions Report," FDIC, December 31, 2007.
- 9 Ibid.
- 10 "Community Bank Facts," Independent Community Bankers of America, 2008.
- 11 "Homeownership Mismatch: Surveys Show a Homeownership Disparity, as Banks Work to Close the Gap," Independent Community Bankers of America, March 2003.



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