



Federal Home Loan Bank Programs for Community Investments

What is the Federal Home Loan Bank System?

The Federal Home Loan Bank System (the System) is comprised of 12 banks and the Office of Finance which provides funds for mortgages and community lending. Each Federal Home Loan Bank (FHLBs) is a government-sponsored enterprise, federally chartered, but privately capitalized and independently managed.

Each bank is a cooperatively owned, membership organization, and national banks are eligible for membership.

What is the mission of the FHLBs?

The FHLBs support members' residential-mortgage and economic development lending activities by providing members with liquidity, through advances and mortgage purchase programs. Members use the funds to finance housing (including affordable housing), and in some cases for community and economic development.

Unique qualities of the 12 FHLBs

The 12 banks are each located in a different region of the country. Each of the 12 FHLBs has determined individual program

goals, based on local market conditions. They also develop unique programs that respond to the needs of their regions. A list of regional programs offered at each bank is attached, and can be found at: <http://www.fhfb.gov/GetFile.aspx?FileID=4006>.

How can national banks benefit from the FHLB System?

Membership: Only FHLB members and non-member housing associates (principally state and local housing finance agencies) can borrow or obtain grant funds from a FHLB.

FHLB Advances: Advance lending is the FHLBs' main business line. Advances were designed to ensure that financial institutions will have sufficient funds to meet the credit needs of their communities.

Mortgage Purchase Programs: These FHLB mortgage programs (also known as the "acquired mortgage assets" programs) serve as an alternative secondary mortgage market option. The programs split the associated risks according to expertise of

the member lenders (keeping the credit risk and maintaining the customer relationship) and FHLBs (managing the interest rate risk).

Affordable Housing Program (AHP):

The FHLBs contribute annually 10 percent of their net income toward their individual AHPs (or more if needed to meet a system-wide minimum of \$100 million). The AHP competitive program provides grants and subsidized interest rates on advances through member institutions for investment in very low-income and low- or moderate-income housing initiatives. Members partner with developers and community organizations to finance the purchase, construction, or rehabilitation of owner-occupied or rental housing. Grants can also be used to lower the interest rate on loans or cover down payment and closing costs. The program is flexible so that AHP funds can be used in combination with other programs and funding sources, ensuring a project's feasibility. To make certain that AHP-funded projects reflect local housing needs, each FHLB is advised by an Affordable Housing Advisory Council for guidance on regional housing and community development issues.

A noncompetitive AHP homeownership set-aside program allows a FHLB to award a portion of its AHP funds to provide downpayment and closing costs assistance to low- and moderate income households purchasing homes. At least one-third of this assistance is made available to assist first-time homebuyers. Members obtain the AHP set-aside funds from the FHLBank and then use them as grants directly to eligible households. Some FHLBs require households to save with the member for a period of time or to obtain their mortgages from the member. Each Bank sets its own maximum grant amount up to \$15,000 per

household. From October 17, 2008 until July 30, 2010, a Bank may use AHP set-aside funds to reduce principal and pay closing costs for households refinancing troubled mortgages through certain government programs.

Community Investment Program (CIP):

The CIP is a noncompetitive, community development lending program that provides below-market-rate advances to members. These loans enable members to extend long-term financing for housing for households with incomes up to 115 percent of the area median income and for economic development that benefits low- and moderate-income families and neighborhoods. This program is designed to be a catalyst for affordable housing and economic development because it supports projects that create and preserve jobs and helps build infrastructure to support growth. Members have used CIP to fund owner-occupied and rental housing, construct roads, bridges, retail stores, sewage treatment plants, and provide small business loans. The program is especially useful in rural areas where resources are limited.

Community Investment Cash Advances (CICA):

The FHLBs also offer below-market-rate advances and other financial assistance for members funding community economic development in targeted geographic areas, such as brownfields or areas affected by military base closings, and for small businesses, which are not income-restricted. The FHLBs offer additional CICA programs for member financing for economic development providing jobs or benefiting rural households up to 115 percent of area median income and urban households up to 100 percent of area median income.

Community Reinvestment Act (CRA) and 12 CFR 24:

National Banks using the FHFB programs (AHP, CIP, and CICA) for community development projects may also meet the definition of community development in the CRA regulation. Thus, banks may receive favorable CRA consideration. Community development includes affordable housing (including multifamily rental housing) for LMI individuals and community services targeted to LMI individuals. It also includes community development activities that revitalize or stabilize LMI geographies, designated disaster areas, or designated distressed or underserved non-metropolitan middle-income geographies. See 2009 Interagency CRA Questions and Answers, __.12(i)-3 at: <http://edocket.access.gpo.gov/2009/pdf/E8-31116.pdf> - page 512

National banks may make investments primarily to promote the public welfare under the community development investment authority in 12 USC 24(Eleventh) and its implementing regulation, 12 CFR 24 (Part 24). As discussed earlier in Section I, the OCC's Part 24 implements that section of the act, which authorizes national banks to make loans and investments to promote the public welfare by benefiting primarily LMI individuals, LMI areas or government targeted redevelopment areas. Eligible public welfare investments also include projects that would be "qualified investments" under CRA.

National banks seeking to provide financing to projects under Part 24 must either request prior OCC approval or submit an after-the-fact notice to the OCC, depending on the bank's safety and

soundness profile, CRA performance, and the nature of the project financing.

For More Information

Each FHLB offers a unique set of programs developed for a specific region. To contact the FHLB in your area(s), find the FHLB district that includes the location of your bank's headquarters, based on the following chart and contact the Community Investment Office (CIO) at the FHLB bank in your area.

For additional information, you can visit: Federal Housing Finance Agency: <http://www.fhfb.gov/Default.aspx?Page=2>

Federal Home Loan Bank System: <http://www.fhfb.gov/Default.aspx?Page=45>

AHP Homeownership Set-Aside Program, info is at <http://www.fhfb.gov/GetFile.aspx?FileID=6316>

Interim final rule for the temporary use of the Homeownership Set-Aside Program for refinancing: [http://www.fhfa.gov/webfiles/166/Affordable_Housing_Program_Amendments_IntFinalRule_-_73_FR_61660_\(Oct_17%2c_2008\).pdf](http://www.fhfa.gov/webfiles/166/Affordable_Housing_Program_Amendments_IntFinalRule_-_73_FR_61660_(Oct_17%2c_2008).pdf)

The following chart lists the CICA programs for affordable housing and economic development that are currently being offered by the FHLBanks.

**Federal Home Loan Banks
Community Investment Contact Information and Community Investment Programs
June 2009**

<http://www.fhfb.gov/GetFile.aspx?FileID=7003>

Federal Home Loan Banks Community Investment Contact Information			
Federal Home Loan Bank	States Served	Community Investment Officers	Community Investment Department Contact Information
Atlanta	AL, DC, FL, GA, MD, NC, SC and VA	Arthur Fleming Community Investment Officer Federal Home Loan Bank of Atlanta 1475 Peachtree Street, N.E. Atlanta, Georgia 30309 (404) 888-8359 afleming@fhlatl.com	Phone: (800) 536-9650 ext. 8385 Fax: (404) 888-5632 Website: www.fhlatl.com
Boston	CT, MA, ME, NH, RI and VT	Ken Willis Community Investment Officer Federal Home Loan Bank of Boston 111 Huntington Avenue 24th Floor Boston, MA 02199-7614 (617) 292-9631 kenneth.willis@fhbboston.com	Phone: (888) 424-3863 E-mail: housing@fhbboston.com Website: www.fhbboston.com
Chicago	IL and WI	Eldridge Edgecombe Community Investment Officer Federal Home Loan Bank of Chicago 111 East Wacker Drive Suite 700 Chicago, Illinois 60601 (312) 565-5705 eedgecombe@fhbc.com	Phone: (312) 565-5824 Fax: (312) 565-6947 Website: www.fhlbc.com
Cincinnati	KY, OH and TN	Carol Peterson Community Investment Officer Federal Home Loan Bank of Cincinnati P.O. Box 598 Cincinnati, OH 45201-0598 (888) 852-7615 petersoncm@fhbcin.com	Phone: (888) 852-6500 Website: www.fhlbcin.com

Federal Home Loan Banks Community Investment Contact Information			
Federal Home Loan Bank	States Served	Community Investment Officers	Community Investment Department Contact Information
Dallas	AR, LA, MS, NM, and TX	Gregory Hettrick Community Investment Officer Federal Home Loan Bank of Dallas 8500 Freepoint Parkway South Ste. 100 Dallas, Texas 75261 (214) 441-8844 Gregory.Hettrick@fhlb.com	Phone: (800) 362-2944 Fax: (214) 441-8577 E-mail: ahp@fhlb.com or cip@fhlb.com Website: www.fhlb.com
Des Moines	IA, MN, MO, ND and SD	Gary Dodge Director of Community Investment Federal Home Loan Bank of Des Moines Skywalk Level, 801 Walnut Street, Suite 200, Des Moines IA 50309-3513 (515) 281-1047 gdodge@fhlbdm.com	Phone: (800) 544-3452 ext. 1173 E-mail: communityinvestment@fhlbdm.com Website: www.fhlbdm.com
Indianapolis	IN and MI	Mary Beth Wott Community Investment Officer Federal Home Loan Bank of Indianapolis 8250 Woodfield Crossing Blvd. Indianapolis, Indiana 46240 (317) 465-0455 mwott@fhlbi.com	Phone: (800) 688-6697 E-mail: housing@fhlbi.com Website: www.fhlbi.com
New York	NY, NJ, Puerto Rico and U.S. Virgin Islands	Joseph Gallo Community Investment Officer Federal Home Loan Bank of New York 101 Park Avenue New York, New York 10178-0599 (212) 441-6851 Joseph.gallo@fhlbny.com	Phone: (212) 441-6850 E-mail: ahp@fhlbny.com Website: www.fhlbny.com

Federal Home Loan Banks Community Investment Contact Information			
Federal Home Loan Bank	States Served	Community Investment Officer	Community Investment Department Contact Information
Pittsburgh	DE, PA and WV	John Bendel Community Investment Officer Federal Home Loan Bank of Pittsburgh 601 Grant Street Pittsburgh, PA 15219-4455 (412) 288-2820 jbendel@fhlb-pgh.com	Phone: (800) 288-3400 E-mail: ahponline@fhlb-pgh.com Website: www.fhlb-pgh.com
San Francisco	AZ, CA and NV	James Yacenda Community Investment Officer Federal Home Loan Bank of San Francisco 600 California Street San Francisco, CA 94108 (714) 633-1271 yacendaj@fhlbsf.com	Phone: (415) 616-2542 Fax: (415) 616-2767 E-mail: communityinvestment@fhlbsf.com Website: www.fhlbsf.com
Seattle	AK, GU, HI, ID, MT, OR, UT, WA and WY	Jennifer Ernst Community Investment Officer Federal Home Loan Bank of Seattle 1501 Fourth Avenue, 19th Floor Seattle, Washington 98101-1693 (206) 340-8737 jernst@fhlbsea.com	Phone: (206) 340-8743 Fax: (206) 340-8721 Website: www.fhlbsea.com
Topeka	CO, KS, NE and OK	Christopher Imming Community Investment Officer Federal Home Loan Bank of Topeka One Security Benefit Place, Ste. 100 Topeka, Kansas 66606-2444 (866) 571-8155 ext. 6029 Chris.Imming@fhlbtopeka.com	Phone: (866) 571-8155 Phone (local): (785) 233-0507 Fax: (785) 234-1765 Website: www.fhlbtopeka.com