



Affordable Housing Advisory Council 2011 Annual Report



LETTER FROM THE PRESIDENT

Dear Members,

In a period defined by volatility and unpredictability, the reliability and stability of our nation's community lending industry has become even more important for affordable housing initiatives nationwide. There are more than 7,000 community lenders serving communities in more than 50,000 locations across the nation. These community institutions are significant supporters of their local economies, and are keyed into the housing needs of the communities they serve.



The Federal Home Loan Bank of New York is fully committed to supporting our members and the non-profit housing organizations with which they work in their efforts to create, rehabilitate and preserve much-needed affordable housing across our region.

We began 2011 by awarding a record \$32.6 million in subsidies to fund 62 affordable housing initiatives through our Affordable Housing Program. These awards, which marked the Bank's second round of funding for 2010, have or will result in the creation or rehabilitation of 2,813 affordable housing units, including more than 2,100 units dedicated to very low-income housing. The awards will not only help provide housing, but also drive community development: we anticipate that nearly \$540 million in development investments will be generated from the development of these initiatives.

The Home Loan Bank and its members not only help create safe and decent housing, we help create homeownership opportunities. Interest in our First Home Club[®] has dramatically increased in recent years. Prior to 2009, annual enrollment averaged approximately 1,200 per year. Through the first two enrollment periods of 2011, we brought more than 1,730 households into the program. And through September 30, 2011, 560 homes were closed with First Home Club assistance. That means more than 500 new homeowners, with suitable mortgages they understand and can afford, bolstering communities across our region. And these homeowners have staying power: since its inception, the First Home Club[®] has had a default rate of roughly one-half of one percent. In today's environment, this success is very impressive. But it is also understandable – the program requires all participants to complete homeownership counseling, in which they learn the ins and outs of being a homeowner. Clearly, the counseling works.

Our commitment to these communities continued throughout the year, with the Bank lending \$256 million to our members through our Community Investment Program. The CIP provides low-cost short-, medium- and long-term funding to our members to help finance housing activities. We also provided \$92 million in Urban Development Advances, which provide financing for economic development projects in urban areas that benefit individuals and families with incomes at or below 100 percent of the area median income.

These are programs that the Bank makes available each and every year. But this year, the unpredictability did not rest solely in the financial markets, and the Bank responded. In late August, our region was battered by Hurricane Irene, bringing tremendous damage to towns both on the coast and far inland. And even though local, state and federal officials did exceptional work in preparing the region for the storm, the effect on homes, small businesses and infrastructure was immense. In response to this damage, the Bank announced that it had committed to provide up to \$500 million in disaster relief loans to assist in the process of rebuilding communities designated by FEMA as disaster areas. The funds were made available through our Community Lending Programs to be used as immediate gap financing. Though we are several months removed from Irene's landfall, there is still work to be done in communities across our region. The Bank's disaster relief funding is another tool our members can access to further assist their communities.

As we enter 2012, the Federal Home Loan Bank of New York remains well-positioned to help our members drive economic growth in their communities and provide housing for those who need it. In January, we will announce our full-year 2011 Affordable Housing Program awards, for which we have set aside \$26.4 million. And, as always, our Community Lending Programs will remain available for our members to access low-cost loans to finance community-focused initiatives. In the coming year, the country will continue along its slow road to economic recovery. Housing and jobs will be at the center of this recovery, and the stability of our nation's community lenders and the Home Loan Banks which support them provide solid ground on which to grow.

I would like to share with you an example of what our programs mean to households across our region that I heard this fall from our Chairman, Mike Horn. Chairman Horn recounted a First Home Club graduation he had recently attended. The program has been a complete success, creating thousands of homeownership opportunities that would not have existed otherwise, and doing so with a default rate of less than one percent. Chairman Horn spoke

of one of these success stories – a single mother with several young children. At her First Home Club graduation event, she told Chairman Horn about her first night in the home she had purchased. After spending the entire day moving into the home and setting it up, she put her children to bed, locked the front door, leaned back against it to face the rest of the house, took a deep breath and thought, for the first time, “This is my home.”

That story clearly carried weight with Chairman Horn, just as it struck all those at the meeting who heard it. That is because the power of having a home of one’s own is at the center of everything we do through our community programs, whether providing grants through our Affordable Housing Program or low-cost loans through our Community Investment Program. And we are proud to continue to work with the local lenders, the non-profit housing organizations, elected officials at every level of government, and dedicated developers to make sure that so many across our region can feel the joy that the woman in Chairman Horn’s story surely felt, knowing that she had a home to call her own.

I thank you for your continued support of the Home Loan Bank and all of our community programs, and I look forward to another year of partnering with each and every one of you to bring much-needed housing to communities across our region.

Sincerely,



Alfred A. DelliBovi
President

Executive Summary

Since 1932, the Federal Home Loan Bank of New York has been helping our member lenders in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands by providing a flexible source of liquidity to member community lenders engaged in home mortgage and neighborhood lending.

As a wholesale bank, we can only achieve our mission in collaboration with our member banks, which have a retail network. Our members work with professionals in the housing industry to repair, build, and create affordable housing. The Home Loan Bank works in the background to supply a continuous and reliable source of liquidity so that our members can continue to meet the housing needs of their communities.

The Affordable Housing Advisory Council of the Federal Home Loan Bank of New York Bank ("Bank") herein presents its 2011 Annual Report, which describes the actions taken by the Bank, in consultation with the Advisory Council, to fulfill its housing and community development mission.

Summary of Affordable Housing and Community Lending Programs

Our housing and community development programs consist of the Affordable Housing Program ("AHP"), the First Home Club and our three Community Lending Programs ("CLP"). These programs were established under the umbrella of the Community Investment Cash Advance ("CICA") regulation published by the Federal Housing Finance Agency. The regulation provides the Bank with the authority to establish these programs to provide financing for eligible housing and community lending projects.

The Bank contributes 10% of its annual net income to the AHP each year. The majority of these funds are competitively awarded to projects sponsored by member banks. The remaining portion of the Bank's annual AHP contribution is allocated to the First Home Club ("FHC"), a set-aside program of the AHP, which provides down-payment and closing cost assistance to first-time homebuyers. Through the AHP and the FHC, the Bank has contributed over \$460 million for the direct support of affordable housing since 1989.

The Bank also utilizes our Community Lending Programs to achieve our housing and community development goals. The Community Lending Programs provide financing for both housing and economic development activities through the use of reduced rate advances, or loans, made to our member banks, who in turn, lend in their communities. The Bank utilizes the Community Investment Program ("CIP") to provide financing for home ownership and rental housing development activities that benefit individuals/families with

incomes at or below 115% of the area median income. The Urban Development Advance (“UDA”) and Rural Development Advance (“RDA”) programs serve as funding sources specifically for economic development activities. The UDA benefits individuals/families living in urban areas with incomes at or below 100% of the area median income, while the RDA benefits individuals/families living in rural areas with incomes at or below 115% of the area median income.

In addition, the Bank provides funds to the mortgage market by competitively purchasing mortgage-backed securities in the secondary market. This exchange of capital corrects market inefficiencies and helps to replenish lender funds available for future mortgage lending, while it assures affordable borrowing costs to the homeowner. The Bank’s current investments in mortgage-backed securities provide additional liquidity to the housing finance markets and lower the monthly cost of homeownership for thousands of families in the United States.

Through the issuance of Consolidated Obligations, the Bank raises funds to purchase mortgage-backed securities from domestic and international capital market investors who might not otherwise invest in housing in the United States. This investment activity of the Bank increases the pool of available funds for housing in the United States. This exchange of capital from capital-surplus areas of the nation and the world, to capital-deficient areas of the United States, corrects a market shortage.

The Bank’s 2011 Community Lending Plan recommended supporting its members in helping to meet the community lending needs in the District by:

- Encouraging continued use of Community Investment Cash Advance (CICA) products,
- Providing technical assistance to members and community groups, and
- Providing informational and marketing outreach.

In 2011, the Bank continued to provide financing to help develop affordable housing for thousands of families, and to promote economic development and small business activity in both urban and rural areas of our region.

In consultation with the Affordable Housing Advisory Council, this report reviews the Bank’s accomplishments in fulfilling our housing and community development mission, and examines new initiatives within our congressionally authorized charter.



Products that Meet Credit Needs in our District

Product Mix

The following matrix provides a snapshot of the Bank's Housing and Community Lending Programs:

	Programs	Purpose	Uses	Beneficiaries	Types of Funding	Terms/ Conditions
Housing	Affordable Housing Program ("AHP")	Creation of owner-occupied and rental housing for very low-, low-, and moderate-income households	Finance acquisition, rehabilitation, or new construction of owner-occupied or rental housing	Households with incomes at or below 80% of the Area Median Income ("AMI")	Grants of up to \$20,000 per unit, or 10% of available subsidy	Competitive program; must meet regulatory guidelines, eligibility requirements, and feasibility guidelines
	First Home Club ("FHC")	Assist very low-, low-, and moderate-income first-time homebuyers to purchase their first home	Provides down-payment and closing-cost assistance for the purchase of principal residence	First-time homebuyers with incomes at or below 80% of the AMI	4-to-1 matching grant, up to \$7,500 in assistance per household, additional \$500 to eligible counseling agency to defray costs	Eligibility requirements apply
	Community Investment Program ("CIP")	Home ownership and rental housing development	Purchase, construction, rehabilitation, refinance, and predevelopment	Individuals/families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income requirements apply
	Fresh- Start Home Finance Program ("FSP")	Home ownership opportunities for homeowners that are facing unaffordable or soon to be unaffordable mortgage payments	Refinance	Individuals/families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income requirements apply
Economic Development	Rural Development Advance ("RDA")	Finance economic development/ commercial lending activities in areas with a population of 25,000 or less	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply
	Urban Development Advance ("UDA")	Finance economic development/ commercial lending activities in areas with a population greater than 25,000	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/families with incomes at or below 100% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply

2011 Community Investment Program Summary

The Community Investment Program provides a continuous source of below-market rate advances for housing related activities for households whose incomes do not exceed 115% of the area median income. The Bank offers CIP funds as an incentive to its members for originating community investment financing. CIP funds may benefit member banks by providing a continuous source of low-priced funds, enhancing CRA performance, enhancing profitability, and improving community and public relations. From January to December 31, 2011 the Bank committed \$359 million in CIP funds. Below is a list of approved CIP commitments in 2011:

Member Name:	Magyar Bank	Commitment Amount:	\$6,000,000
Project Name:	Magyar Bank- Housing Assistance & Recovery Program		
Project Description:	Magyar Bank was approved for a Fresh Start Program/ CIP commitment to fund a pool of existing single-family owner-occupied units and future single-family and rental units that are part of the Housing Assistance and Recovery Program (HARP). HARP, administered by the First Baptist Community Development Corporation (FBCDC), will accomplish its objective through the purchase of properties that are at risk of foreclosure that will then be leased back to the current owners or tenants. Magyar Bank will provide a line of credit to FBCDC to purchase the properties of residents that are in the foreclosure process.		

Member Name:	The Westchester Bank	Commitment Amount	\$10,000,000
Project Name:	2011 Residential Multi-Family Loan Program		
Project Description:	The Westchester Bank was approved for a CIP commitment to fund eligible residential multi-family owner occupied loans and multi-family rental units.		

Member Name:	Northfield Bank	Commitment Amount	\$13,516,000
Project Name:	2011 Residential Multi-Family Loan Program II		
Project Description:	Northfield Bank was approved for a CIP commitment to fund eligible residential multi-family owner occupied loans and multi-family rental units.		

Member Name:	Banco Popular North America	Commitment Amount	\$20,000,000
Project Name:	2011 Residential Multi-Family Loan Program		
Project Description:	Banco Popular North America was approved for a CIP commitment to be used as a source of financing for eligible residential owner occupied and rental units. The CIP funds will be used for various activities including acquisition, construction and rehabilitation.		

Member Name:	Northfield Bank	Commitment Amount	\$20,394,000
Project Name:	2011 Residential Multi-Family Loan Program		
Project Description:	Northfield Bank was approved for a CIP commitment to fund eligible residential multi-family owner occupied loans and multi-family rental units.		

Member Name:	Flushing Savings Bank	Commitment Amount	\$25,000,000
Project Name:	2011 Residential Multi-Family Loan Program		
Project Description:	Flushing Savings Bank was approved for a commitment to fund eligible residential multi-family owner occupied loans and multi-family rental units.		

Member Name:	ESL Federal Credit Union	Commitment Amount	\$25,000,000
Project Name:	Residential Lending Program 2011-2012		
Project Description:	ESL Federal Credit Union was approved for a CIP commitment to be used as a source of financing for eligible residential owner occupied and rental units. The CIP funds will be used for various activities including acquisition, construction and rehabilitation.		

Member Name:	Oritani Bank	Commitment Amount	\$40,000,000
Project Name:	2011 Residential Multi-Family Loan Program		
Project Description:	Oritani Bank was approved for a \$40 million CIP commitment to fund eligible residential multi-family owner occupied loans and multi-family rental units.		

Member Name:	ESL Federal Credit Union	Commitment Amount	\$50,000,000
Project Name:	2011-2012 Residential Lending Program II		
Project Description:	ESL Federal Credit Union was approved for a CIP commitment to be used as a source of financing for eligible residential owner occupied and rental units. The CIP funds will be used for various activities including acquisition, construction and rehabilitation.		

Member Name:	Flushing Savings Bank	Commitment Amount	\$75,000,000
Project Name:	2011 Residential Multi-Family Loan Program II		
Project Description:	Flushing Savings Bank was approved for a \$75 million CIP commitment to fund eligible residential multi-family owner occupied loans and multi-family rental units.		

Member Name:	The Dime Savings Bank of Williamsburgh	Commitment Amount	\$75,000,000
Project Name:	2011 Residential Multi-Family Loan Program		
Project Description:	The Dime Savings Bank of Williamsburgh was approved for a CIP commitment to be used as a source of financing for eligible residential owner occupied and rental units. The CIP funds will be used for various activities including acquisition, construction and rehabilitation.		

2011 Rural and Urban Development Advance Summary

The Urban Development Advance and the Rural Development Advance programs serve as funding sources specifically for community lending and economic development activities. The UDA provides financing for economic development activities in urban areas, benefiting individuals or families, with incomes at or below 100% of the area median income level. The RDA provides financing for economic development projects or programs in rural areas, benefiting individuals or families, with incomes at or below 115% of the area median income level. These programs offer low-cost advance rates and are available on a daily basis. From January 1 to December 31, 2011 the Bank committed a total of \$92 million in UDA funds to the following funds to the following programs:

Member Name:	The National Union Bank of Kinderhook	Commitment Amount	\$2,000,000
Project Name:	2011 Small Business and Mixed/Use Commercial Loan Program		
Project Description:	The National Union Bank of Kinderhook was approved for a commitment to be used as a source of financing for small business loans and mixed-use and commercial properties.		

Member Name:	The Westchester Bank	Commitment Amount	\$10,000,000
Project Name:	2011 UDA Mixed-Use/Commercial Loan Program		
Project Description:	The Westchester Bank was approved for a UDA commitment to provide financing for mixed-use properties and commercial loans. The UDA funds will be used for various purposes including acquisition, construction, and rehabilitation of properties.		

Member Name:	The Dime Savings Bank of Williamsburgh	Commitment Amount	\$25,000,000
Project Name:	2011 UDA Mixed-Use/Commercial Loan Program		
Project Description:	The Dime Savings Bank of Williamsburgh was approved for a UDA commitment to provide financing for mixed-use properties and commercial loans. The UDA funds will be used for various purposes including acquisition, construction, and rehabilitation of properties.		

Member Name:	ESL Federal Credit Union	Commitment Amount	\$25,000,000
Project Name:	2011 UDA Mixed-Use/Commercial Loan Program		
Project Description:	ESL Federal Credit Union was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The UDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties.		

Member Name:	Oritani Bank	Commitment Amount	\$30,000,000
Project Name:	2011 UDA Mixed-Use/ Commercial Loan Program		
Project Description:	Oritani Bank was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The UDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties.		

During 2011, the Bank did not commit any RDA funds. In the current economic environment, our member banks are flush with retail deposits. As such, their need for additional liquidity to finance RDA eligible activities has diminished.

Fresh-Start Home Finance Program

Under the umbrella of its Community Investment Program, the Bank developed the Fresh-Start Home Finance Program to assist qualified homeowners at or below 115% of the area median income who are facing unaffordable or soon-to-be unaffordable mortgage payments. Member banks that utilize this program are offered below market rate advances to provide foreclosure prevention assistance for low- to moderate-income households that are unable to afford the terms of their existing mortgages. During 2011, the Bank committed \$6 million to Magyar Bank to fund a pool of existing single-family owner-occupied units and future single-family and rental units that are part of the Housing Assistance and Recovery Program (HARP). HARP, administered by the First Baptist Community Development Corporation (FBCDC), will accomplish its objective through the purchase of properties that will then be leased back to the current owners or tenants. In addition, HARP will prepare them to re-purchase their homes by providing financial education, counseling and family support services (i.e., family counseling, domestic violence issues, stress management, etc.)

Disaster Relief Program

The Disaster Relief program provides immediate gap financing to assist with restoration efforts in areas that have been officially designated as Federal or State disaster areas. During August of 2011, in response to damage done to many local communities due to Hurricane Irene, the Bank committed to provide \$500 million in disaster relief loans to begin the process of rebuilding our communities across New Jersey, New York, Puerto Rico and the US Virgin Islands. The \$500 million is available for small business, and economic development lending regardless of income status. During 2011, the Bank committed \$10 million to Community National Bank to finance small business loans and commercial / economic development activities, in response to Hurricane Irene, in both Nassau and Suffolk counties.

Expansion of Homeownership Opportunities

First Home Clubsm Program

One of the most visible challenges to first-time homebuyers is the inability to save sufficient funds for the down payment and closing costs associated with home buying. While many households can afford the monthly payment of a mortgage, they are frozen out of homeownership opportunities because of a lack of adequate savings.

In 1998, the Bank moved to help families fulfill this requirement for homeownership. With the advice of the Advisory Council and Bank's Board of Directors, the First Home Club was developed by the Bank to help provide added financial incentive for savings toward homeownership for low- and moderate-income first-time homebuyers. The Bank enhanced the program in 2008 to provide a grant up to four dollars for each dollar saved in a dedicated savings account, resulting in a grant of up to \$7,500 per household. All households must participate in the systematic savings plan with the member institution for a minimum of ten months. In addition to requiring a First Home Club savings account, a participating household must participate in an approved homeownership counseling program. The approved member lenders, together with local non-profit organizations, provide homeownership counseling including personal credit and budgeting assistance. The Bank will also provide a second grant of up to \$500 per household to the approved counseling agency to help defray the cost of providing this valuable service. The benefits of a dedicated savings program and rigorous homebuyer counseling program are made evident by a study recently completed by the Bank which determined a 0.54% foreclosure rate of roughly one-half of one percent among First Home Club households.

Interest in the First Home Club has dramatically increased in recent years. Prior to 2009, annual enrollment averaged approximately 1,200 per year. During 2009, a total of 1,935 households were enrolled in the First Home Club. In 2010, a total of 1,984 households were enrolled into the program. During the three enrollment periods of 2011, 2,434 households have been enrolled. Furthermore, home closings have increased substantially over the past several years. Total funding requests processed for 2007 and 2008 were 364 and 350 respectively, soaring to a remarkable 819 FHC closings in 2009, with a total of \$6,354,084 funded in subsidy. In 2010, six hundred ninety two homes were closed, subsidized with \$5,366,494 in FHC grants. Through December 31, 2011, 777 homes were closed with FHC assistance grants of \$6,012,210. There are currently 47 households awaiting closing with approved FHC grants of \$361,108.

First Home Club Program Activity (since inception):

\$57,632,276 total program allocation

\$35,292,781 funded to 5,556 First Home Club households

3,873 households are currently enrolled and fulfilling program requirements

As of December 31, 2011, there are 74 HLB member banks approved to participate in the program.

Affordable Housing Program

Affordable Housing Program

During the 1980's, predatory lending practices and poor banking oversight led to a financial debacle that would plague our markets for many years to follow. The Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA") of 1989 was the federal government's response to the crisis. New federal agencies were established to monitor banking activity, insure deposits and distribute monies from failed institutions. At this time, broad changes were also made to the FHLB System. Among the many changes, FIRREA required each Federal Home Loan Bank to contribute 10 percent of the preceding year's net earnings to the newly created Affordable Housing Program. The AHP provides subsidies to assist financial institutions in supporting the creation and preservation of housing for very low-, low- and moderate-income families and individuals.

AHP funds are used in conjunction with federal and state housing programs, such as low-income housing tax credits, housing finance agency bond funds, state and local agency grants, and U.S. Department of Housing and Urban Development ("HUD") programs.

All across our district, NY, NJ, PR and the US Virgin Island, and beyond, the Affordable Housing Program provides low-income families, senior citizens, the homeless and other groups with special needs, affordable places to live that are within reach of their financial means.

In 2011, the Bank conducted one AHP application period. A total of 148 applications were submitted including 86 applications for projects located in New York, 46 for projects located in New Jersey, 6 applications for projects located in Puerto Rico, and 10 for projects located outside of the Banks district. In total, \$79.2 million of subsidy was requested to finance over 7,247 units of affordable housing.









AHP: Looking Beyond our District

The Bank also reaches outside of our district by providing the opportunity for sponsors that can demonstrate the need for subsidy to procure funding for affordable rental and homeownership opportunities in their states and communities, even if the project is not located within the geographic boundaries of New York, New Jersey, Puerto Rico or the U.S. Virgin Islands.

Since the inception of the program, the Bank has awarded \$13.9 million in AHP subsidy to 33 different projects that are located outside of the Bank's district area. These projects have generated a total of 1,614 units of affordable housing for income eligible households. The AHP funds have been used to leverage almost \$287 million in total development costs. We have seen an increased demand for funding for out-of-district projects over recent years.

As other sources of funding have pulled back over the past turbulent years, the Federal Home Loan Bank of New York's Affordable Housing Program continues to work with its members and local organizations to help strengthen communities across our district and beyond.

The following chart provides a list of projects organized by geographic location that have been approved since the inception of the AHP program:

AHP Applications Approved (since inception):				
Region	# of Projects	Subsidy	Units	TDC
IN DISTRICT				
 NEW YORK	783	\$236,349,069	32,160	\$4,240,195,557
 NEW JERSEY	432	\$128,559,991	16,850	\$2,522,329,482
 PUERTO RICO	23	\$11,144,587	1,912	\$174,867,744
 U.S. VIRGIN ISLANDS	4	\$3,112,519	410	\$30,852,336
OUT OF DISTRICT				
 DELAWARE	6	\$3,659,587	487	\$67,528,940
 MARYLAND	4	\$2,023,508	232	\$30,852,336
 PENNSYLVANIA	21	\$6,576,016	779	\$141,437,583
 CONNECTICUT	2	\$1,629,360	116	\$38,394,779
Grand Totals:	1,275	\$393,054,637	52,946	\$7,255,208,903

2011 AHP Round – Projects Approved in New York

<i>Project name</i>	<i>Subsidy</i>	<i>Sponsor</i>	<i>Member</i>	<i>ST</i>
Lifetime Community Living Apts	\$180,755	Lifetime Community Living	First Niagara Bank, N.A.	NY
Noel Pointer Project	\$208,126	Bridge St. Development Corp.	Signature Bank	NY
Corpus Christi Apartments	\$315,000	Isla Housing and Development Corporation	M & T Bank	NY
True Bethel Townhouses	\$390,000	Belmont Housing Resources for West NY	HSBC Bank, N.A.	NY
Cephas House	\$50,000	Hope Buffalo, Inc.	M & T Bank	NY
Breckenridge Place	\$550,000	Ithaca Neighborhood Housing Services, Inc.	Tompkins Trust Company	NY
338-340 Clinton Avenue Affordable Rental	\$80,000	Capital Affordable Housing Funding Corp.	First Niagara Bank, N.A.	NY
New Harlem Village Hope HDFC	\$1,124,008	Hope Community, Inc.	Hudson Valley Bank, N.A.	NY
Frederick Douglass Apartments	\$308,000	Rochester Housing Authority	The Canandaigua NB & Trust Company	NY
Sugar Hill Apartments	\$1,980,930	Broadway Housing Communities	HSBC Bank, N.A.	NY
The Leonard	\$370,544	Syracuse Housing Authority	First Niagara Bank, N.A.	NY
Roosevelt Lane Hope HDFC	\$537,516	Hope Community, Inc.	Hudson Valley Bank, N.A.	NY
Transition Home	\$160,000	Finger Lakes Cerebral Palsy Association	The Lyons National Bank	NY
More than a Helping Hand	\$2,700,000	New York City Rescue Mission	Herald National Bank	NY
Arbor Housing Rehab 2011	\$180,000	Arbor Development	Maple City Savings Bank	NY
The Roosevelt	\$440,000	Grace Community Development Corporation	Signature Bank	NY
Shiloh Senior Housing	\$221,354	Westhab, Inc.	M & T Bank	NY
Schlegel Road	\$120,000	Heritage Christian Services, Inc.	First Niagara Bank, N.A.	NY
New York Rural Preservation	\$2,178,000	Snow Belt Housing	First Niagara Bank, N.A.	NY
Neighborhood of the Arts	\$345,000	DePaul Properties, Inc.	First Niagara Bank, N.A.	NY
Gates-Greece	\$138,530	Heritage Christian Services, Inc.	First Niagara Bank, N.A.	NY
NCS Community Dev. Corp	\$500,000	NCS Community Development Corp.	The Canandaigua NB & Trust Co.	NY
Whiting Street	\$104,800	Heritage Christian Services, Inc.	First Niagara Bank, N.A.	NY

IRA Revitalization Program	\$278,945	Chenango County, Inc.	NBT Bank, N.A.	NY
YWCA Supportive Hsg Initiative	\$1,306,111	YWCA of Rochester and Monroe County	M & T Bank	NY
Pompei North Apartments	\$788,625	Pompei Housing Development Corporation	M & T Bank	NY
Rivendell Court Apartments	\$300,000	Providence Housing Development Corporation	First Niagara Bank, N.A.	NY
Habitat for Humanity of Suffolk 2011	\$260,000	Habitat for Humanity of Suffolk	Astoria Federal Savings and Loan Association	NY
Calkins Corners	\$900,000	Bishop Sheen Ecumenical Hsg. Fund	First Niagara Bank, N.A.	NY
Stanton Meadows	\$950,000	Isla Housing and Development Corporation	First Niagara Bank, N.A.	NY
Huntington Park Apartments	\$500,000	Ibero-American Development Corp.	First Niagara Bank, N.A.	NY
Hope Gardens	\$280,000	Polish Community Center of Buffalo	M & T Bank	NY
223-225 Spring Street	\$48,000	IFCA	Signature Bank	NY
Liberty Gardens Revitalization, Phase 1	\$500,000	Liberty Gardens Housing Development	M & T Bank	NY
JOSANA II Project	\$150,000	Habitat for Humanity of Flower City	M & T Bank	NY
Center Court Phase II	\$350,000	Niagara Falls Housing Authority	M & T Bank	NY
Sheen Housing Rehab Program	\$750,000	Bishop Sheen Ecumenical Hsg.	The Bank of Castile	NY
Phillips Road	\$105,000	Heritage Christian Services, Inc.	Fist Niagara Bank, N.A.	NY
**Kasson and Leavenworth Apartments	\$250,000	Conifer Realty, LLC	M & T Bank	NY
**Long Pond Senior Housing	\$900,000	Pathstone, Inc.	M & T Bank	NY
** Project approved as alternate				

2011 AHP Round – Projects Approved in New Jersey

<i>Project name</i>	<i>Subsidy</i>	<i>Sponsor</i>	<i>Member</i>	<i>ST</i>
Perry Street Supportive Permanent Housing	\$300,000	Rescue Mission of Trenton	Hopewell Valley Community Bank	NJ
Central Village II	\$900,000	Life Management, Inc.	Valley National Bank	NJ
Glenview Townhouses II	\$900,000	Foresight Affordable Housing, Inc.	Liberty Bell Bank	NJ
Independence Village	\$1,422,000	Life Management, Inc.	Valley National Bank	NJ
Tudor Village Apartments	\$240,000	Homes Now, Inc.	Ocean First Bank	NJ
Home Ownership Project	\$10,000	Habitat for Humanity of Cumberland County	Century Savings Bank	NJ
Allen House Senior Housing	\$100,000	Affordable Housing Alliance	Two River Community Bank	NJ
Beachview Residence Apartments	\$870,000	Homes Now, Inc.	Cape Bank	NJ
Crescent Commons	\$340,000	Allendale Housing, Inc.	Lakeland Bank	NJ
Springfield Village Senior Residences	\$500,000	Life Management, Inc.	Valley National Bank	NJ
Escher SRO Project, LP	\$1,285,367	Helping Arms, Inc.	Metuchen Savings Bank	NJ
Carl Miller Homes, Phase I	\$760,000	Trenton Housing Authority	First Choice Bank	NJ
Montgomery Senior	\$1,000,000	Foresight Affordable Housing, Inc.	Liberty Bell Bank	NJ
4800 Park Avenue	\$504,000	Weehawken Senior Housing Rehab Corporation	Bank of New Jersey	NJ
Marconi Place	\$1,200,000	Life Management, Inc.	Valley National Bank	NJ
Bayonne Transit Oriented Workforce Housing	\$900,000	Greater Newark Housing	BCB Community Bank	NJ
Monroe Special Needs Housing	\$135,000	Center for Family Services	Fulton Bank of New Jersey	NJ
**Freedom Village at Hopewell Township	\$461,060	Project Freedom, Inc.	Roma Bank	NJ
**Egg Harbor Housing	\$150,000	Arc of Atlantic County	Ocean City Home Bank	NJ
** Project approved as alternate				

2011 AHP Round – Projects Approved Out-of-District

<i>Project name</i>	<i>Subsidy</i>	<i>Sponsor</i>	<i>Member</i>	<i>ST</i>
O'Donnell Townhomes	\$1,146,584	Greater Baltimore AHC, Inc.	Liberty Bell Bank	DE
The Eli Apartments	\$500,000	Iron Stone Real Estate Fund II	First Niagara Bank, N.A.	PA

Mortgage Partnership Finance [®] Program

Mortgage Partnership Finance Program

The Bank invests in mortgage loans through the Mortgage Partnership Finance (“MPF”) Program, a secondary mortgage market structure under which eligible conforming conventional loans are purchased from Participating Financial Institutions (“PFIs”). The MPF Program involves the sharing of risks in a way that capitalizes on the strengths of both the members and the FHLBanks. Our members have the knowledge and expertise to originate, underwrite, and service residential mortgage loans, and they are in a position to assume the risks inherent in such tasks. The Bank, in funding the loans, assumes the liquidity, interest rate, and prepayment risks, for which the Bank is qualified to manage.

The MPF Program enhances and strengthens the New York Bank’s mission to “advance housing opportunity by maximizing the capacity of community-based member lenders to serve their markets.” The member will continue to manage the customer relationship while the Bank manages the interest rate risk and shares in the credit risk.

The MPF product allows the members to be more competitive in the residential markets and provides a mechanism whereby the members may originate a product they would be otherwise unwilling to originate for their portfolio.

Currently, a member has two choices relative to fixed-rate residential mortgages -- the member may hold those mortgages in portfolio taking on the interest rate, prepayment and funding risks or, in the alternative, the member may sell the loans in the secondary market. Small to medium sized members have never been allotted the same pricing benefits that larger members have since other agencies offer better pricing based on volume.

MPF is an available alternative for small and medium sized members. The MPF Program offers the same pricing to all of its members regardless of production instead of offering volume based pricing. Unlike other secondary market sources, there are no adverse market fees or loan level price adjustments charged in the MPF Program.

It also allows members to transfer the interest rate risk to the Bank, while at the same time rewarding members for the credit quality of their loans. Rather than charging a member a guarantee fee for taking on the credit risk, MPF pays its members Credit Enhancement (CE) fees for assuming a portion of the credit risk. In fact, the CE fees are awarded annually in monthly increments, in exchange for members retaining a portion of the credit risk of the mortgages sold. Depending upon the MPF product chosen, the CE fees may be performance based fees. The purchase of conforming conventional 1- 4 residential mortgage loans are structured in such a way that the credit risk associated with MPF loans is

shared with the PFIs. This is known in the mortgage industry as having “skin in the game”. In all MPF products, the FHLBank is responsible for losses up to the amount in its first loss account potentially subject to a right of reimbursement. In the MPF Original product, the Bank’s first loss position may grow incrementally at a rate of four basis points annually of the outstanding balance of the loans. Losses incurred in that product charged to the Bank’s first loss account are not subject to reimbursement. In the MPF 125 product, the Bank’s first loss account amounts to 100 bps of the funded amount of MPF loans sold into each Master Commitment. Losses incurred in that product charged to the Bank’s first loss account are subject to reimbursement, and the Bank is reimbursed from future CE fees to be paid to the member. If there are not sufficient CE fees to be paid to reimburse the Bank for losses incurred in the first loss account, the Bank absorbs the losses.

The PFI’s credit loss position follows the Bank’s first loss account. In the MPF Original product, the member’s share of the credit risk is equal to the amount necessary to bring each and every loan up to an AA rated investment using a rating agency model. In the MPF 125 product, the member’s share of the credit risk is equal to the amount necessary to bring each and every loan up to an AA rated investment using a rating agency model less the 100 bps for loss account of the Bank.

As noted below, there have been losses over the last twelve years that the Bank has participated in the MPF Program. Those losses have amounted to \$724,000 and all the losses have been charged to the Bank’s first loss account. There has never been a claim against the member’s credit risk position. That is a remarkable performance. Community lenders underwrite loans the way the loans should be underwritten — they look to the ability of the borrower to repay the loan and make sure the loan is supported by an appraisal. It is this “partnership” with the community lenders that has led to the stellar performance of the total MPF portfolio.

Coupled with a market pricing that is competitive and the MPF Credit Enhancement fees, our smaller to medium sized members who are confident in their underwriting and willing to take on a portion of the credit risk of loans sold are now able to benefit and compete in their markets against the larger market participants.

MPF Accomplishments

The Bank continued to direct its sales and marketing efforts to the mid-sized and smaller members who view MPF as a program providing significant benefit. From its inception, the

Mortgage Partnership Finance Program

HLB has had 67 members participate by selling loans to the HLB through the MPF program. Since its inaugural start in 1999, the Bank's MPF portfolio's credit performance has been outstanding. The program to date has funded \$4 billion in residential 1-4 family mortgages and has experienced losses totaling \$724,000 for a loss ratio of 0.019%.

During 2011, twelve new members were approved as a Participating Financial Institution in the MPF program. For the twelve months ended December 31, 2011, the HLB purchased over \$385 million in loans that involved 31 different member banks.

"MORTGAGE PARTERSHIP FINANCE" AND "MPF" are the registered trademarks of the Federal Home Loan Bank of Chicago

Letters of Credit

Letters of Credit that Expand Community Development Initiatives

A letter of credit ("LOC") is a credit instrument, issued by a bank, guaranteeing payment on behalf of its customer to a beneficiary for a stated period of time, and when certain conditions are met. A Home Loan Bank LOC substitutes the issuing bank's credit for the credit of the Home Loan Bank. Home Loan LOCs are AAA-rated by both Moody's Investors Service and Standard & Poor's — the leading providers of independent credit ratings. According to Moody's Investors Service, AAA-rated is judged to be the best quality and carries the smallest degree of investment risk. A Home Loan Bank LOC is collateralized in the same way as an advance. The Bank charges a fee for issuing LOCs and for draws under an LOC.

The Bank's LOC process:

The HLB's Irrevocable Standby LOC provides that the HLB will make payment to the LOC beneficiary in the event of a member's default or failure to perform under a contract or other agreement between parties.

CICA Letters of Credit provide funds to finance lending activities that also qualify for the Bank's Community Lending Programs. When LOCs are used for eligible housing and community purposes they facilitate transactions that promote home financing, housing activity, or financing of commercial and economic development.

Municipal Letters of Credit ("MULOCS") enable members to more easily attract municipal deposits as additional forms of liquidity, which help members, better serve their communities. In 2009, the HLB launched a new type of letter of credit – the Refundable Municipal Letter of Credit. This letter of credit is more flexible in collateralizing municipal transaction accounts, whose balances fluctuate over time.

Typically, other purposes for which members may use LOCs include:

- › Provide credit enhancements for collateral subordinated obligations or other mortgage-backed securities
- › Provide credit support in the sale of whole mortgage loan portfolios
- › Facilitate the beneficiary's drawing of interest payments from a bond issue
- › Support tax-exempt municipal bonds



As of December 31, 2011 the Bank had a total of 158 outstanding letters of credit amounting to \$2,818,706,057 consisting of the following letter of credit types:

<u>Total Outstanding</u>	<u>Letter of Credit Type</u>	<u>Amount Outstanding</u>
9	CICA Letters of Credit	\$51,735,277
12	Standby Letters of Credit	\$44,102,078
1	Direct Pay Letters of Credit	\$3,352,674
122	Municipal Letters of Credit	\$2,077,216,027
1	Refundable Municipal Letters of Credit	\$642,300,000

Below is an example of LOC issued in 2011:

- At the request of First Niagara Bank, N.A., a nationally chartered commercial bank in New York, the Bank issued a confirming standby LOC, in the amount of \$5,967,225 over a term of two years from July 28, 2011 to July 28, 2013, to provide credit enhancement for the New York State Housing Finance Agency Affordable Housing Revenue Bonds.
- The bonds were issued to finance mortgage loans for the development and construction of an affordable multifamily rental housing project in five buildings in Rochester, New York.



Community Support and Technical Assistance

Community Support and Technical Assistance

The Bank continues to provide outreach to member banks and community organizations through meetings, conferences and technical assistance. Some of these activities in 2011 included the following:

Community Investment Newsletter

Periodically, the Bank distributes the CI News, a newsletter of the Community Investment activities of the Bank. The newsletter is used as a vehicle to showcase and describe successful housing and community development initiatives undertaken by the Bank and its members. This “best practice” approach highlights exemplary housing and community development initiatives for all of the Bank’s programs – including the Affordable Housing Program, the First Home Club and the Community Lending Programs. With its broad circulation, the CI News provides a blueprint of successful ventures for the housing and economic development community. It is distributed to all member banks and over 1,400 housing and economic development organizations in our district.


Outreach and Technical Assistance

Throughout the year, Bank personnel perform outreach and provide technical assistance activities to various interested parties throughout the District to insure that the benefits of the Bank’s programs are well known. These activities include:

- Individual meetings with member institutions
- Individual meetings with non-profit organizations, developers or other interested parties
- Individual meetings with state and local government agencies
- Presentations at various conferences and seminars throughout the District
- Sponsorship of various conferences and seminars throughout the District
- Attendance and/or speaking opportunities at project-related events including ground breakings, ribbon cuttings, etc.
- Attendance and/or sponsorship of functions held by member institutions and non-profit organizations including annual meetings, fundraising events, etc.

Community Support Regulations

The Community Support Regulations mandated by the Financial Institutions Reform Recovery and Enforcement Act of 1989 were put into effect during 2003. The regulations require that, approximately once every two years, stockholder institutions of each Federal Home Loan Bank prepare Community Support Statements, which are forwarded to the Federal Housing Finance



Agency. These Community Support Statements take into account the member bank's performance under the Community Reinvestment Act and its record of lending to first-time homebuyers. The Bank acts as a liaison between our member institutions and the Federal Housing Finance Agency and provides technical assistance to help our member banks remain in compliance.



2011
Affordable Housing
Advisory Council

Affordable Housing Advisory Council

<p>Nancy Berkowitz Executive Administrator New York State Rural Advocates Blue Mountain Lake, New York</p>	<p>Brian Keenan President Real Estate Advisory & Development Services, Inc. Metuchen, NJ</p>
<p>Peter J. Elkowitz President & CEO Long Island Housing Partnership, Inc. Hauppauge, New York</p>	<p>Jean Lowe President Greater Rochester Housing Partnership Rochester, New York</p>
<p>Melody Federico Director of Housing Development NewBridge Services, Inc. Pompton Plains, New Jersey</p>	<p>Rosemarie Noonan Executive Director Housing Action Council, Inc. Tarrytown, New York</p>
<p>Bernell Grier Chief Executive Officer Neighborhood Housing Services of NYC New York, NY</p>	<p>Kevin O'Connor President & CEO Rural Ulster Preservation Company (RUPCO) Kingston, New York</p>
<p>Laurence Gumina * Vice President, Affordable Housing & Assisted Living PHS Senior Living, Inc. Red Bank, New Jersey</p>	<p>Kerry Quaglia Executive Director Home Headquarters, Inc. Syracuse, New York</p>
<p>Jonathan Hoffman * V.P., Housing Development Volunteers of America / Delaware Valley Collingswood, New Jersey</p>	<p>Blair W. Sebastian Executive Director New York State Rural Housing Coalition, Inc. Albany, New York</p>
<p>Charles T. Kalthoff Executive Director ACCORD Corporation Belmont, New York</p>	<p>Gary VanNostrand President/Chief Executive Officer SERV Behavioral Health System, Inc. West Trenton, New Jersey</p>

* Resigned during 2011

2011 Affordable Housing Advisory Council

Charles T. Kalthoff, Chair

Mr. Kalthoff is the Executive Director of Allegany County Community Opportunities and Rural Development (ACCORD Corp). ACCORD is the Community Action Agency for Allegany County New York offering a diversity of human service programs for families, youth and early childhood programs. ACCORD is a Rural Preservation Program delivering housing and community development services within the Genesee Valley region. Mr. Kalthoff has a BS degree from SUNY Oneonta and degrees from Pratt Institute Community Economic Development Internship and Southern New Hampshire University's Credit Union Administration Institute. He has worked in non-profit organizations since 1974 and been with ACCORD since 1983.



Peter J. Elkowitz, Jr., Vice Chair

Mr. Elkowitz has been with the Long Island Housing Partnership since 1989 and currently serves as President and Chief Executive Officer. He holds a Master of Science Degree in Policy Analysis and Public Management. In June 2002, he completed the Senior Executives Program in State and Local Government at the John F. Kennedy School of Government at Harvard University. He received the Harry Weiner Distinguished Alumni Award in 1995. Mr. Elkowitz also received the Governor's award for Excellence in Housing in 1994. Mr. Elkowitz serves as Vice Chair to the Federal Home Loan Bank Affordable Housing Advisory Council. Mr. Elkowitz is a member of the 2007 Class of The Energeia Partnership – The Academy for Regional Stewardship at Molloy College. Mr. Elkowitz serves on the board of New York Housing Conference, Inc. Mr. Elkowitz has also served on the Long Island Regional Planning Council.



Nancy Berkowitz

Ms. Berkowitz has worked as the Executive Administrator and consultant for NYS Rural Advocates since 1993. Prior to that, she served for eight years as the founding director of a community based non-profit housing development corporation. Ms. Berkowitz currently serves as a housing and community development consultant and also provides environmental consultant services. Her formal educational background is in the physical sciences with a master's degree in library and information science. She has worked in housing development and planning for over 20 years.



Melody Federico

Ms. Federico is the Chief Real Estate Officer at NewBridge Services, Inc., a nonprofit community services agency. Prior to joining NewBridge in 2006, Ms. Federico's career spanned nearly 15 years in real estate management and development. She held positions at The Community Development Trust, Monarch Housing Associates and Burnham Real Estate Services. Ms. Federico oversees all aspects of the agency's housing development, property/asset management and facilities management. She develops new construction sites and rehabilitation of special needs housing, affordable housing, and market rate rentals. Ms. Federico holds a BA in Public Administration from San Diego State University, a Master of Administrative Science from Fairleigh Dickinson University and an MBA from Montclair State University. In addition, Ms. Federico's professional designations include an RPA® from the Building Owners and Manager's Association and the Housing Finance Development Professional® from the National Development Council. Active in the community, Ms. Federico is a 2009 Fellow of Leadership New Jersey, member of the Board of Trustees for the Supportive Housing Association of New Jersey, former Co-Chair of the Housing Alliance of Morris County, and member of the Housing and Community Development Network of New Jersey.



Bernell K. Grier

Ms. Grier serves as Chief Executive Officer of Neighborhood Housing Services of New York City (NHS). Prior to joining NHS, Ms. Grier's career in banking spanned 30 years, beginning with Chase and Nat West USA. Her last position was as executive vice president and market manager at Bank of America (formerly Fleet Bank). Ms. Grier currently serves as an officer of Neighborhood Restore, on the advisory board of the NYU Furman Center for Real Estate and Public Policy, as a committee member of NeighborWorks America's Homeownership Services Committee, and as a board member of the New York Housing Conference, The Coalition for Debtor Education, and the Myrtle Avenue Revitalization Project. She is a graduate of the City University of New York, City College, and completed the Harvard University Kennedy School NeighborWorks Achieving Excellence Leadership Program 2010, and is a Partnership for NYC David Rockefeller Fellow class of 2000.



Laurence C. Gumina

Mr. Gumina serves as Senior Vice President for Princeton Senior Living, LLC., a subsidiary of Springpoint Senior Living, Inc. (SSL), which provides a full range of development and management consulting services to providers in the senior living industry. Mr. Gumina maintains primary responsibility for all development projects within the SSL system. Duties include overseeing planning associated with all SSL internal capital expansion projects of existing and new campuses, mergers and acquisitions, as well as seeking new business development opportunities and management contracts from other Senior Living providers. Mr. Gumina joined Springpoint Senior Living, Inc. in October 2004 as the President of Affordable Housing & Assisted Living Operations. During this time, three additional affordable housing communities were developed and seven affordable communities, including Asbury Tower, were refinanced and



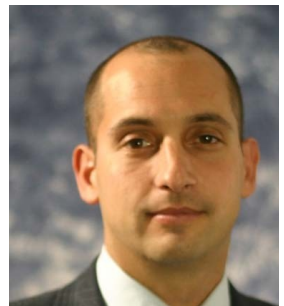
repositioned. Prior to joining Springpoint Senior Living, Inc., Mr. Gumina served as Executive Vice President/Chief Operating Officer of Bayshore Community Health Services, a hospital-based health care provider located in Holmdel, New Jersey. Prior to Bayshore, Mr. Gumina was the Associate Executive Director of Riverview Medical Center, a hospital affiliate of Meridian Health. Mr. Gumina has over 20 years of health care operations and development experience within the acute and post acute arenas. He is a licensed nursing home administrator, a certified professional occupancy specialist and is certified in low income tax credit compliance. He has earned a Masters of Public Administration from Fairleigh Dickinson University and a Bachelor of Science degree in Business Administration from Bryant University. Mr. Gumina presently serves on the Board of Trustees at the Central Jersey Visiting Nurse Association and the Parker Family Health Center, both of which are based in Red Bank, New Jersey.

Mr. Gumina resigned from the Affordable Housing Advisory Council during 2011.

Jonathan Hoffman

Mr. Hoffman joined Volunteers of American Delaware Valley in 2006 and supervises the development staff of Volunteers of American Delaware Valley's property holding corporation, VOADV Property, Inc. In addition to managing the existing real estate holdings of the corporation, he coordinates with public and private sector partners including the New Jersey Department of Community Affairs, various state finance agencies, the Corporation for Supportive Housing and other lending institutions to finance development of new facilities and affordable housing. Mr. Hoffman is actively involved with various community development groups including the Housing and Community development Network of New Jersey, the Camden Community Development Association and the Greater Atlantic City Chamber Community Development Corporation. Mr. Hoffman is a graduate of Arizona State University and earned his MBA from Villanova University.

Mr. Hoffman resigned from the Affordable Housing Advisory Council during 2011.



Brian Keenan

As the founder and President of READS, Mr. Keenan is dedicated to community economic development and promoting school choice. Mr. Keenan has a Bachelor's of Arts Degree in Social Work from Molloy College, a Certificate in Community Economic Development from Pratt Institute and a Masters of Business Administration from St. Peter's College. Mr. Keenan has 20 years in real estate development and financing, having worked for NJ Community Capital where he was instrumental in expanding the organization's financial activities, including committing the organization's first Charter School loan and first Social Enterprise equity investment and expanding the organization's financial capital basis. Additionally, Brian has developed more than 1,500 of affordable housing in the tri-state area. Mr. Keenan serves on the Boards of New Jersey Community Capital, Learning Community Charter School, New Jersey Charter Schools Association and the Affordable Housing Advisory Council of the Federal Home Loan Bank of New York. Mr. Keenan's work has been recognized by NJBiz' Forty under



Forty for outstanding business leadership and the Fathers for Our Children Award by Marion P. Thomas Charter School.

Jean Lowe

Ms. Lowe is President of the Greater Rochester Housing Partnership. The Partnership created to facilitate the development of affordable housing in and around the City of Rochester. During her 10-year employment with the Partnership, Ms. Lowe served as chief underwriter and project manager for all multi-family lending activity. Ms. Lowe has designed and implemented a consortium program to rehabilitate and sell vacant single-family properties in the City of Rochester. Ms. Lowe is the manager of the Partnership's Tax Credit Fund. The fund purchases tax credits generated by small projects that have traditionally not appealed to large corporate investors.



Rosemarie Noonan

Ms. Noonan is the Executive Director of Housing Action Council (HAC), which works with all levels of government and coalitions to design and implement program solutions to the region's housing crisis, as well as education and networking. Ms. Noonan has developed various programs which have assisted in the development of housing, including tax-exempt financing, mortgage insurance, and housing rehabilitation programs, and has advised state and local housing officials on designing and implementing affordable housing programs and plans.



Kevin O' Connor

Kevin O'Connor is the President and Chief Executive Officer of Rural Ulster Preservation Company located in Kingston, New York. As an executive in housing and community development, Mr. O'Connor enjoys over 23 years of experience in the not for profit sector. Today, Mr. O'Connor leads a dynamic organization with a staff of 34 and an annual budget in excess of \$4 million dollars. RUPCO provides a broad array of comprehensive housing & community development services in the Hudson Valley and presently has over \$20M of real estate development in its pipeline. In March 2010, Mr. O'Connor graduated from Harvard University's Achieving Excellence in Community Development, an 18 month executive leadership program presented in association with NeighborWorks America.



Blair Sebastian

Mr. Sebastian is the Executive Director of the New York State Rural Housing Coalition (Coalition), a non-profit supported by more than 200 statewide member organizations formed in 1979 and committed to providing safe, affordable housing for low- and moderate-income New Yorkers living in rural communities. Mr. Sebastian directs the Coalition's training and technical assistance operation that provides essential support to organizations working in the fields of rural housing and community development. He is a well practiced community and legislative advocate, as well as an accomplished public speaker and meeting facilitator knowledgeable of tools and resources used in the development of affordable housing, property management and real estate valuation.



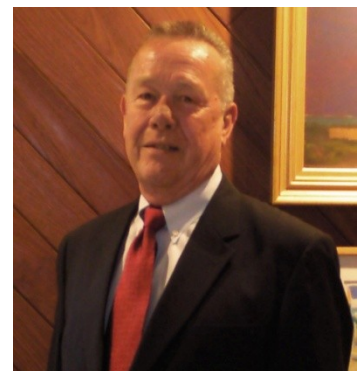
Kerry Quaglia

Mr. Quaglia has worked as the Executive Director for Home HeadQuarters, Inc. from 1996 until present. He is responsible for the continuing operation of the not-for-profit agency which has as its goal the promotion and retention of affordable home ownership opportunities for low- and moderate-income individuals. He supervises the implementation of a Home Improvement Program, a Vacant Property Program, a First-Time Home Buyer Program and various counseling programs. Prior to joining Home HeadQuarters, Inc., Mr. Quaglia was the Director of Housing for the City of Syracuse.



Gary Van Nostrand

Mr. Van Nostrand has held the position of President/Chief Executive Officer at SERV Behavioral Health System, Inc. from April 2001 until the present. Prior to being appointed President, he held the position of Executive Vice President from June 1998 until April 2001. Mr. Van Nostrand is responsible for the overall implementation and coordination of the organization's programs including the development of special needs housing. Prior to his positions at SERV, Mr. Van Nostrand held various director and supervisory positions at healthcare organizations throughout New Jersey.





2011 Board of Directors' Housing Committee

2011 Board of Directors' Housing Committee

Kevin J. Lynch, Chair

Mr. Lynch has been President and Chief Executive Officer of Bank member Oritani Bank, headquartered in the Township of Washington, New Jersey, since July 1, 1993. He has also been President and Chief Executive Officer of Oritani Financial Corporation, the holding company of Oritani Bank, since 1998. Mr. Lynch has also served as Chair of the two aforementioned entities since August of 2006; prior to that time, he served as a Director. Mr. Lynch is a former Chairman of the New Jersey League of Community Bankers and served as a member of its Board of Governors for several years and also served on the Board of its subsidiary, the Thrift Institutions Community Investment Corp. (TICIC). Mr. Lynch is a member of the Professional Development and Education Committees of the American Bankers Association. He was a member of the Board of Directors of the Pentegra Defined Benefit Plan For Financial Institutions from 1997 through 2007, and was Chair of that Board in 2004 and 2005 and Vice Chair in 2002 and 2003, and has been a member of the Board of Pentegra Services, Inc. since 2007. He is a member of the American Bar Association and a former member of the Board of Directors of Bergen County Habitat for Humanity. Mr. Lynch is also a member of the Board of Directors of the Hackensack Main Street Business Alliance. Prior to appointment to his current position at Oritani Bank in 1993, Mr. Lynch was Vice President and General Counsel of a leasing company and served as a director of Oritani Bank. Mr. Lynch earned a Juris Doctor degree from Fordham University, an LLM degree from New York University, an MBA degree from Rutgers University and a BA in Economics from St. Anselm's College.

John R. Buran

Mr. Buran is currently Director, President and Chief Executive Officer of Bank members Flushing Savings Bank and Flushing Commercial Bank, and also of Flushing Financial Corporation, the holding company for those two institutions. He joined Flushing Savings Bank and Flushing Financial Corporation in 2001 as Chief Operating Officer and he became a Director of these entities in 2003. In 2005, he was named President and Chief Executive Officer of Flushing Savings Bank and Flushing Commercial Bank. He became a Director, as well as President & CEO, of Flushing Commercial Bank in 2007. Mr. Buran's career spans over 30 years in the banking industry, beginning with Citibank in 1977. There he held a variety of management positions including Business Manager of their retail distribution in Westchester, Long Island and Manhattan and Vice President in charge of their Investment Sales Division. Mr. Buran left Citibank to become Senior Vice President, Division Head for Retail Services of NatWest Bank and later Executive Vice President of Fleet Bank's (now Bank of America) retail branch system in New York City, Long Island, Westchester and Southern Connecticut. He also spent time as a consultant and Assistant to the President of Carver Bank. Mr. Buran has devoted his time to a variety of charitable and not-for profit organizations. He has been a board member of the Long Island Association, both the Nassau and Suffolk County Boy Scouts, Family and Children's Association, EAS, Long Island University, the Long Island Philharmonic and Channel 21. He

was the fundraising chairman for the Suffolk County Vietnam Veteran's War Memorial in Farmingville, New York and has been recipient of the Boy Scouts' Chief Scout Citizen Award. His work in the community has been recognized by Family and Children's Association, and the Gurwin Jewish Geriatric Center. He was also a recipient of the Long Island Association's SBA Small Business Advocate Award. Mr. Buran was honored with St. Joseph's College's Distinguished Service Award in 1998 and 2004. Today, he serves on the Board of Trustees of the College. Mr. Buran also serves as Audit Committee Chairman and is former Board President of Neighborhood Housing Services of New York City. He is a Board member of The Korean American Youth Foundation. He is also currently Chairman of the New York Bankers Association as well as a Director of New York Bankers Service Corporation. Mr. Buran also serves on the board of the Long Island Conservatory. He holds a B.S. in Management and an M.B.A., both from New York University.

Anne Evans Estabrook

Ms. Estabrook has been chief executive of Elberon Development Co. in Cranford, New Jersey since 1984. It, together with its affiliated companies, owns approximately two million square feet of rental property. Most of the property is industrial with the remainder serving commercial and retail tenants. She is the past chairman of the New Jersey Chamber of Commerce and, until June 2007, served on its executive committee, and chaired its nominating committee. She previously served as a director on the board of New Brunswick Savings Bank. Ms. Estabrook also served as a member of the Lay Board of the Delbarton School in Morristown for 15 years, including five years as chair. Since 2005, Ms. Estabrook has served as a Director of New Jersey American Water Company, Inc. Until December 2010, Ms. Estabrook was a member and Secretary of the Board of Trustees of Catholic Charities, served on its Executive Committee and its Audit Committee, and chaired its Finance Committee and Building and Facilities Committees. She is presently on the Board of Overseers of the Weill Cornell Medical School, is a Trustee of St. Barnabas Corporation, and is also on the Board of Trustees of Monmouth Medical Center, where she serves on its Executive and Community Action Committees, and Chairs the Children's Hospital Committee. Ms. Estabrook serves as a Member of the Liberty Hall Museum Board at Kean University in Union, NJ and serves on the Board of Trustees of the New Jersey Performing Arts Center (NJPAC). Ms. Estabrook's experience in, among other areas, representing community interests in housing, and in project development, as indicated by her background described above, support her qualifications to serve on the Bank's Board of Directors as a public interest director and Independent Director.

Reverend Edwin C. Reed

Rev. Reed is the founder and CEO of GGT Development LLC, a company which started in May of 2009. The strategic plan of the corporation focuses on the successful implementation of housing and community development projects, including affordable housing projects, schools, and multi-purpose

facilities. He has been involved in development projects totaling more than \$125 million. He formerly served as Chief Executive Officer of the Greater Allen Development Corporation from July 2007 through March 2009. The Greater Allen Development Corporation and its related development entities rehabilitated communities through its involvement in affordable housing projects, mixed use commercial/residential projects, and other development opportunities. Rev. Reed previously was the Chief Financial Officer of Greater Allen AME Cathedral, located in Jamaica, Queens, New York, from 1996 to July 2007. From 1986 to 1995, Rev. Reed served as the campaign manager and Chief of Staff for Congressman Floyd H. Flake. Prior to becoming involved in public policy, Rev. Reed managed the \$6 billion liquid asset portfolio for General Motors and was a financial analyst for Chevrolet, Oldsmobile, Pontiac, Cadillac, Buick and GM of Canada. Rev. Reed gained his initial financial experience as a banker at First Tennessee Bank in Memphis, Tennessee. Rev. Reed earned a Masters of Business Administration from Harvard Business School, a Bachelor of Business Administration from Memphis State University and a Masters of Divinity at Virginia Union University. He currently serves on the following organizations in the following positions: Vice Chairman of Audit Committee, Board of Trustees, Hofstra University; Chairman, Jamaica Business Resource Center; Secretary/Treasurer, Outreach Project; Board Member, JP Morgan Chase Bank National Community Advisory Board; and Board Member, Wheelchair Charities. Rev. Reed's experience in representing community interests in housing, as indicated by his background described above, support his qualifications to serve on the Bank's Board of Directors as a public interest director and Independent Director.

Reverend DeForest B. Soaries, Jr.

Dr. Soaries has been the Senior Pastor of the First Baptist Church of Lincoln Gardens in Somerset, New Jersey since November 1990. A pioneer of faith-based community development, Dr. Soaries has led First Baptist in the construction of a new \$20 million church complex and the formation of many not-for-profit entities to serve the community surrounding the church. Highlights of Dr. Soaries' ministry include recruiting 379 families to become foster parents to 770 children; helping 236 children find adoptive parents; constructing 145 new homes for low and moderate income residents to own; redeveloping 150,000 square feet of commercial real estate; operating a "green jobs" training program; serving hundreds of youth in an after school center and homework club; forming a youth entrepreneurship program; organizing a community development credit union; implementing a strategy to help 1,000 families become debt-free; and creating a program designed to help homeowners recover homes lost through foreclosure. He is the author of *dfree™ Breaking Free from Financial Slavery*. Founded in 2005, his *dfree™* campaign is the linchpin of a successful strategy to lead people, families, and organizations out of debt to attain financial independence. Dr. Soaries and his *dfree™* strategy were the focus of the third installment of CNN's Black in America documentary "Almighty Debt." From January 12, 1999 to January 15, 2002, Dr. Soaries served as New Jersey's 30th Secretary of State. In 2004 he also served as the first chairman of the United States



Election Assistance Commission, having been appointed by the President and confirmed by the United States Senate.

