Community Lending Plan 2013

Executive Summary

The Federal Home Loan Bank of New York herein presents its 2013 Community Lending Plan ("Plan"). For this Plan, "Community Lending" is defined as providing financing for economic development projects for targeted beneficiaries. The Community Investment Cash Advance ("CICA") regulation, published by the Federal Housing Finance Agency ("Finance Agency"), states that each Federal Home Loan Bank shall offer an Affordable Housing Program and Community Lending Programs to provide financing for eligible housing and community lending activities. The CICA regulation also requires that each Federal Home Loan Bank develop and adopt a Community Lending Plan on an annual basis.

To this end, the Bank has developed this Plan, which summarizes the Bank's recognition of the District's community lending needs and describes the Bank's initiatives and goals for 2013. Also presented, is an overview of the Bank's community lending related initiatives and accomplishments in 2012.

Community Lending Needs in the District

The Bank consults with our member institutions, our Affordable Housing Advisory Council and various other organizations regarding the challenges, needs, and opportunities facing our district. The Bank also sponsors and participates in meetings, workshops, and conferences throughout the District to gain insight regarding the community lending needs in the communities that our member institutions serve. The Bank supplements these activities with market research about relevant socio-economic and geographic trends in the District. The Bank's current research regarding various regional trends is presented in Exhibit A - District II Market Profile. Although housing market trends and economic conditions are discussed, the objective of this plan is not to provide a comprehensive analysis of the economy or the housing market, but rather to assist the Bank in identifying relevant community lending needs within our District.

For 2013, the Bank plans to continue its focus of supporting our members in meeting the following community lending needs within our District:

- Availability of credit to finance community lending and economic development activities within the communities served by our member banks
- Provision of technical assistance to member banks and community organizations to foster a better understanding of how the Bank's Community Lending Programs can meet the financing needs of the District

Community Lending Related Initiatives & Lending Goal for 2013

Initiatives for 2013

In an effort to both meet the identified community lending needs in our District, and further the results achieved in 2012, the Bank will undertake the following community lending initiatives for the year 2013:

A. Encourage continued use of the Bank's CICA products and programs
   - Continue to build relationships with community and economic development organizations
   - Consider special offerings to increase program participation

B. Provide technical assistance to members and community groups
   - Participate in and support conferences and workshops sponsored by community organizations
   - Conduct meetings with member banks and community organizations to increase awareness of the Bank's community lending programs

C. Provide informational and marketing outreach
   - Press releases
   - Special Mailings
   - Community Investment Newsletter
   - The Bank's website, www.fhlbny.com

Quantitative Community Lending Goal for 2013

The Bank proposes the following community lending goal for 2013:

- Originate new community/economic development commitments - $320 million

Community Lending Related Initiatives for 2012

Community and Economic Lending in 2012

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 projects or programs in urban areas, benefitting 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, benefitting 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 to December 31, 2012, the Bank committed a total of $306 million in UDA funds to the following programs:

Member Name:	USNY Bank	Commitment Amount	$2,500,000
Project Name:	2012 UDA Mixed-Use Commercial Loan Program		
Project Description:	USNY 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.		

Member Name:	Magyar Bank	Commitment Amount	$2,500,000
Project Name:	NRVP LLC (The North Riverview Plaza)		
Project Description:	Magyar Bank was approved for a UDA commitment to provide financing for a construction/permanent commercial mortgage on the subject property that will have a newly constructed supermarket and Advanced Auto Parts store, once complete.		

Member Name:	Fulton Savings Bank	Commitment Amount	$5,000,000
Project Name:	2012 UDA Mixed-Use/Commercial Loan Program		
Project Description:	Fulton Savings 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 uses including the acquisition, construction and rehabilitation of properties.		

Member Name:	RomAsia Bank	Commitment Amount	$12,000,000
Project Name:	UDA Mixed-Use/Commercial Loan Program		
Project Description:	RomAsia 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.		

Member Name:	Oriental Bank and Trust	Commitment Amount	$14,000,000
Project Name:	2012 Disaster Relief Program		
Project Description:	Oriental Bank and Trust was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The DRF/UDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties located in FEMA designated disaster relief areas/counties in Puerto Rico affected by Hurricane Irene.		

Member Name:	The Westchester Bank	Commitment Amount	$20,000,000
Project Name:	2012 Disaster Relief Program		
Project Description:	The Westchester Bank has submitted a $20 million DRF commitment request to be used as a source of financing for mixed-use and commercial properties. The DRF/UDA funds will be used for various uses related to UDA qualified financing in FEMA designated disaster relief areas/counties in New York, affected by Hurricane Sandy.		

Member Name:	Community Mutual Savings Bank	Commitment Amount	$25,000,000
Project Name:	2012 UDA Mixed-Use Commercial Loan Program		
Project Description:	Community Mutual Savings 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.		

Member Name:	The Dime Savings Bank of Williamsburgh	Commitment Amount	$25,000,000
Project Name:	2012 UDA Mixed-Use Commercial Loan Program		
Project Description:	The Dime Savings Bank of Williamsburgh 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:	Investors Bank	Commitment Amount	$44,000,000
Project Name:	2012 Disaster Relief Program II-Investors Bank		
Project Description:	Investors Bank was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The DRF/UDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties located in FEMA designated disaster relief areas/counties in New Jersey and New York, affected by Hurricane Irene.		

Member Name:	Banco Popular de Puerto Rico	Commitment Amount	$50,000,000
Project Name:	2012 UDA Mixed-Use/Commercial Loan Program		
Project Description:	Banco Popular de Puerto Rico 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:	Flushing Savings Bank	Commitment Amount	$50,000,000
Project Name:	2012 Disaster Relief Program		
Project Description:	Flushing Savings Bank was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The DRF/UDA funds will be used for various purposes related to UDA qualified financing of properties located in FEMA designated disaster relief areas/counties in New York, affected by Hurricane Sandy.		

Member Name:	Investors Bank	Commitment Amount	$56,000,000
Project Name:	2012 Disaster Relief Program		
Project Description:	Investors Bank was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The DRF/UDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties located in FEMA designated disaster relief areas/counties in New Jersey and New York, affected by Hurricane Irene.		

From January 1 to December 31, 2012 the Bank committed a total of $11.2 million in RDA funds to the following funds to the following programs:

Member Name:	USNY Bank	Commitment Amount	$2,500,000
Project Name:	2012 RDA Mixed-Use Commercial Loan Program		
Project Description:	USNY Bank was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The RDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties.		

Member Name:	Fulton Savings Bank	Commitment Amount	$5,000,000
Project Name:	2012 RDA Mixed-Use Commercial Loan Program		
Project Description:	Fulton Savings Bank was approved for a commitment to be used as a source of financing for mixed-use and commercial properties. The RDA funds will be used for various purposes including the acquisition, construction and rehabilitation of properties.		

Member Name:	Olean Area Federal Credit Union	Commitment Amount	$3,700,000
Project Name:	Olean Area FCU Building Expansion, Remodeling, Equipment Purchases		
Project Description:	Olean Area Federal Credit Union has submitted a $3.7 million RDA commitment request to be used as a source of financing for the building expansion, remodeling, and equipment purchases on its headquarters.		

Community Investment Newsletters

The Bank distributes the CI News, a newsletter covering the Community Investment activities of the Bank, periodically throughout the year. The newsletter is used in an effort to showcase and describe successful housing and community development initiatives undertaken by the Bank and its members.

This "best practice" approach highlights noteworthy housing and community development initiatives for all of the Bank's programs - including the Affordable Housing Program, First Home Club, and Community Lending Programs.

Attributed to 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 within our district.

Outreach and Technical Assistance Meetings

Throughout the year, Bank personnel hold numerous technical assistance meetings with our member banks and community development organizations, as well as participate in various conferences and seminars throughout the District. In these forums, the Bank presents successful projects and discusses how the Bank's products can be useful tools in meeting the challenges of community development. Examples of successful forums held in 2012 are:

- On March 21, 2012, the Bank and the New Jersey Housing and Mortgage Finance Agency (NJHMFA) held a joint housing seminar at the NJHMFA headquarters in Trenton, New Jersey, in an effort to educate developers, sponsors, and financial institutions on the housing financing tools available to them through each organization.

- On October 4, 2012, FHLBNY staff participated alongside housing industry leaders in a presentation and panel discussion hosted by the African-American Real Estate Professionals of NY, Inc. (AAREP). Reverend Edwin Reed, a member of the Board of Directors Housing Committee, served as the moderator for a discussion on Opportunities in Supportive and Senior Housing.

Other Community Lending Related Activities in 2012

Community Investment Program ("CIP")

The Community Investment Program provides a continuous source of discounted 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, 2012, the Bank committed $766 million in CIP funds.

Fresh-Start Home Finance Program

Under the umbrella of the Community Investment Program, the HLB developed the Fresh-Start Home Finance Program to assist qualified homeowners with incomes at or below 115% of the area median that are facing unaffordable or soon-to-be unaffordable mortgage payments.

Member banks that utilize this program are offered discounted advances to provide foreclosure prevention assistance for low- to moderate-income households that are unable to afford the terms of their existing mortgages. During 2012, the Bank did not commit any funds for the Fresh-Start Home Finance Program.

Disaster Relief Program

The Disaster Relief Program provides immediate financing in areas that have been officially designated as Federal or State disaster areas. In November of 2012, in response to the extensive damage sustained by many local communities due to Hurricane Sandy, the Bank made a commitment to provide $1 billion in disaster relief financing to begin the process of rebuilding our communities across New York and New Jersey. The $1 billion commitment follows a $500 million commitment in disaster relief loans offered in August of 2011, in response to Hurricane Irene, available to communities across New Jersey, New York, Puerto Rico, and the US Virgin Islands. The $1.5 billion can specifically be used for community and economic development lending, regardless of income status. During 2012, the Bank committed $184 million in Disaster Relief funds for various uses related to UDA qualified financing in FEMA designated disaster relief counties in New York and New Jersey, affected by Hurricane Sandy this year, and Hurricane Irene last year.

Affordable Housing Program ("AHP")

Created by Congress in 1989, 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. In 2012, the Bank conducted one AHP application period. A total of 175 applications were submitted, including 96 applications for projects located in New York, 61 for projects located in New Jersey, 3 applications for projects located in Puerto Rico, 1 application for a project in the Virgin Islands, and 14 for projects located outside of the Banks district. In total, $98.2 million of subsidy was requested to finance over 9,502 units of affordable housing. Of these applications, the Bank approved 22 applications in New York, 13 applications in New Jersey, and two applications from outside of the Bank's district. In total, $26.4 million of subsidy was approved to finance 2,679 units of housing.

First Home Club Program ("FHC")

The First Home Club was developed by the Home Loan Bank to help provide added financial incentive for savings toward homeownership for low- and moderate-income, first-time homebuyers. The Bank will provide 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 a participating 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 benefits of a dedicated savings program and rigorous homebuyer counseling program are made evident by a study 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, and 2010, a total of 1,935 and 1,984 households, respectively, were enrolled in the First Home Club. The growing trend of enrollments continued to increase in 2011, as 2,434 households were enrolled in the FHC Program. During the three enrollment periods of 2012, a total of 2,998 households were 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. A total of 777 homes were closed in 2011, subsidized with $6,012,210 in FHC grants. Through December 31, 2012, eight hundred and fifty two FHC homes were closed with FHC assistance grants totaling $6,658,392.

First Home Club Program Activity (since inception)

- $63,132,276 total program allocation
- $41,774,987 funded to 6,159 First Home Club households
- 4,781 households are currently enrolled and fulfilling program requirements

As of December 31, 2012, there are 74 FHLBNY member banks approved to participate in the First Home Club Program.

Letters of Credit

The Bank's Letter of Credit ("LOC") product supports community development by reducing transaction cost and enhancing the marketability of various bond issuances. As of December 31, 2012, the Bank had a total of 223 outstanding letters of credit amounting to $6,411,000,538 consisting of the following letter of credit types:

Total Outstanding	Letter of Credit Type	Amount Outstanding
17	CICA Letters of Credit	$285,810,023
12	Standby Letters of Credit	$80,561,015
183	Municipal Letters of Credit	$5,181,129,500
11	Refundable Municipal Letters of Credit	$863,500,000

These letters of credit were issued on behalf of members to support credit needs, as well as housing and economic development activities.

CICA Letters of Credit provide funds to finance lending activities that also qualify for the Bank's Community Lending Programs.

Municipal Letters of Credit enable members to more easily attract municipal deposits as additional forms of liquidity, which help members better serve their communities.

Below is an example of an LOC issued this year:

- At the request of The Canandaigua National Bank and Trust Company, a federally chartered commercial bank in New York, the Bank issued a confirming standby LOC, in the amount of $2,389,101 over a term of one year from July 10, 2012 to July 09, 2013 to provide credit enhancement for the Geneva Housing Authority Housing Revenue Bonds. The bonds were issued to finance the acquisition and construction of a 76-bed assisted living facility in Canandaigua, New York.

Exhibit A

District II Market Profile

District II Unemployment & Job Data

National:

The national year-over- year unemployment rate fell from 8.9% in October 2011 to 7.9% in October 2012.[1]

New York State & New York City:

New York State's unemployment rate, after seasonal adjustment, adversely increased from 8.2% in October 2011 to 8.7% in October 2012. The rate for New York City increased from 9.1%, as reported in October 2011, to 9.3%, in October 2012.[2]

New Jersey:

New Jersey employment rate increased from 9.3% in October 2011 to 9.7% in October 2012.[3]

Puerto Rico:

The Puerto Rico unemployment rate decreased from 15.4% in October 2011 to 13.8% in October 2012.[4]

District II Civilian Labor Force (Employed vs. Unemployed Rates)

The table below displays the District II civil labor force numbers and District II employed and unemployed rates as of October 2012 (numbers in thousands). [5,6,7,8]

District II Civil Labor Force		
District	Employed	Unemployed
New York State	8,755.7	830.6
New York City	5,187.8	515.2
New Jersey	4,145.2	447.3
Puerto Rico	1,090.4	175.2

[1] United States Department of Labor, Bureau of Labor Statistics – Databases, Tables & Calculators (National) http://data.bls.gov/timeseries/LNS14000000

[2] New York State – Department of Labor http://labor.ny.gov/stats/pressreleases/pruistat.shtm

[3] United States Department of Labor, Bureau of Labor Statistics – Databases, Tables & Calculators (New Jersey) http://data.bls.gov/timeseries/LASST34000003?data_tool=XGtable

[4] United States Department of Labor, Bureau of Labor Statistics – Databases, Tables & Calculators (Puerto Rico) http://data.bls.gov/timeseries/LASST43000003?data_tool=XGtable

[5] United States Department of Labor, Bureau of Labor Statistics – New York Economy at a Glance http://www.bls.gov/eag/eag.ny.htm

[6] United States Department of Labor, Bureau of Labor Statistics – New York-White Plains-Wayne Economy at a Glance http://www.bls.gov/eag/eag.ny_newyork_md.htm

[7] United States Department of Labor, Bureau of Labor Statistics – New Jersey Economy at a Glance http://www.bls.gov/eag/eag.nj.htm

[8] United States Department of Labor, Bureau of Labor Statistics – Puerto Rico Economy at a Glance http://www.bls.gov/eag/eag.pr.htm

<u>Demographic Factors:</u>

The Joint Center for Housing Studies of Harvard University recognizes the following housing demographic factors in its report, "The State of the Nation's Housing 2012":

1. Slowdown in Household Growth

In its research, the Joint Center consults a number of sources, largely indicating that household growth has dramatically slowed since the recession. This is evidenced by looking at the number of net new households between 2007 and 2011; in that just 600,000-800,000 net new households were formed each year. This represents the lowest levels since the 1940s. If annual growth levels had rather remained in the 1.2 - 1.3 million ranges, as averaged over the four previous years, these reported numbers would minimally have been 1.8 million, with a possible ceiling of 2.8 million additional US households in 2011.

2. Composition of Household Growth

Accounting for about three-quarters of the increase between 2003 and 2007 and two-thirds between 2007 and 2011, minorities maintain a strong presence as the driving force behind household growth. Yet, household growth in minority populations has also declined. In comparison to the previous four year period, between 2007 and 2011, minority household growth decreased by 42 percent. Throughout this same period, household growth in non-minority households had only a 16 percent decrease.

The echo boomers can arguably be considered the most diverse generation yet. With consideration of this, it is anticipated that they and future immigrants will ensure that minority populations account for a substantial majority of household growth in the forthcoming decades. In support of this, even if immigration fails to bounce back to pre-recession levels, the Joint Center estimates that seven out of ten net new households between 2010 and 2020 will be composed of minority populations.

3. Metropolitan Sprawl

As evidenced by the Decennial Census, in the 2000's, household growth continued to be centralized in the suburbs and exurbs of large metropolitan areas. A mere 21 percent of household growth was in the city cores of the nation's 100 largest metros, as compared to roughly 38 percent in suburbs, and 41 percent in exurbs. The exurbs saw a rate of household growth of 28 percent, which is equivalent to more than twice the rate in the suburbs and four times that of city cores. Resulting from this, exurban areas acquired share of metro area households over the decade.

4. Income and Wealth Trends

From 2006 to 2011, real net household wealth plunged $14.3 trillion, distressed by a 57-percent drop of roughly $8.2 trillion in housing wealth. Simultaneously, mortgage debt sustained levels close to their peak, diminishing home equity from 130 percent of aggregate mortgage debt to just 62 percent. The consequences of this are evident, as home equity now accounts for the smallest share of household net wealth since recordkeeping began in 1945. Plummeting housing values proved to be especially difficult for low-income and minority households for two reasons, as prices in the low-end market took the largest fall, and because a large share of minority household wealth was composed of home equity, when the housing bust began.

5. Changes in Household Mobility

Both cyclical factors and economic uncertainty in general, have restricted the ability of many to buy and sell homes, or alternatively move or form independent households. Although a healthier recovery and a reduction in negative equity mortgages would help to curb future declines, it is likely that demographic factors will maintain the pressure on household mobility rates over the next two decades.[9]

New York:

The Federation for American Immigration Reform (FAIR) used the Current Population Survey to show the U.S. Census Bureau estimated that in July 2010 New York's population had increased to 19,378,102 residents, i.e., an annual average increase of about 39,185 residents since 2000. That is equivalent to a rate of increase of about 0.2 percent per year. FAIR estimates that the foreign-born population of New York was about 4,297,612 residents in 2010. This is equivalent to a foreign-born population share of 22.2 percent.

The amount of change since the 2000 Census indicates an average annual rate of increase in the foreign-born population of about 41,900 people, which is more than 106.9% of the state's annual average population increase. As of 2010, roughly 31.2 percent of New York's foreign-born population had arrived in the state since 2000. This is comparable with the national average 34.5 percent. In 2000, 40.4 percent of the state's foreign-born population had arrived since the previous Census.[10]

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[9] Joint Center for Housing Studies of Harvard University: "The State of the Nation's Housing 2012" – Ch. 2 Demographic Drivers
http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2012_demographic_drivers.pdf

[10] Federation for American Immigration Reform (FAIR): New York
http://www.fairus.org/states/new-york

New Jersey:

With reference to the Current Population Survey again, the U.S. Census Bureau estimated that in 2010 New Jersey's population had increased to 8,791,894 residents, an annual average increase of about 36,834 residents since 2000. That is a rate of increase of about 0.4 percent per year.

According to the Census Bureau the foreign-born population of New Jersey was about 1,844,851 persons in 2010. Between 2000 and 2010, the Census Bureau indicates an average annual rate of change in the foreign-born population of about 35,954 people, in comparison to the state's annual average population change of about 36,834 people. This is a 97.6 percent share of the state's population change.[11]

Puerto Rico:

The Central Intelligence Agency estimates that the population of Puerto Rico will have a sustained decrease of 0.44 percent in 2012. The U.S. Census Bureau reports a population decrease in the Commonwealth of Puerto Rico since 2000. In 2010, the population was 3,725,789 people, as compared to 3,808,610, in 2000.[12]

National:

Two main demographic drivers of household growth – headship rates and immigration – remain depressed. But the third driver, a growing and aging adult population, continues to play a positive role in housing markets.

In the short term, it is uncertain when household formation rates among young adults will rebound and if immigration will return to pre-recession levels. Other potential sources of repressed housing demand – such as families that have lost their homes to foreclosure and are temporarily doubling up with others – are also difficult to estimate. Nevertheless, the amount of pent-up demand could be significant.[13]

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[11] Federation for American Immigration Reform (FAIR); "Immigration Facts: New Jersey" http://www.fairus.org/states/new-jersey

[12] Central Intelligence Agency: The World Factbook – Puerto Rico https://www.cia.gov/library/publications/the-world-factbook/geos/rq.html

[13] 2010 Census Brief on Population Distribution and Change: 2000 to 2010 http://www.census.gov/prod/cen2010/briefs/c2010br-01.pdf

According to the U.S. Census Bureau, the foreign-born population was approximately 40,156,574 individuals in 2010. This is equivalent to a foreign-born population share of 13 percent. The Census also indicates that the change since 2000 in foreign-born individuals had increased at an annual rate of change of 904,869 people. Immigration is also a viable contributor to population growth through the children born to immigrants in this country. Nationally, the share of births to the foreign-born is about double their share of the population. That share of the nation's current births is enough to account for about 1,078,721 births a year. Combining the increase in the foreign-born population and estimated immigrant births suggests that immigration accounts for the majority (72.6%) of the nation's annual increase in population.[14]

Affordable Rental Housing:

New York:

In New York, the Fair Market Rent (FMR) for a two-bedroom apartment is $1,283. A renter household needs a monthly income of $4,278, or an annual income of $51,337, in order for a two-bedroom rental unit at the FMR to be affordable.

Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a housing wage of $24.68. A minimum wage worker earns an hourly wage of $7.25. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 136 hours per week, 52 weeks per year. Or a household must include 3.4 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.[15]

A unit is considered affordable if it costs no more than 30% of the renter's income.

New Jersey:

In New Jersey, the Fair Market Rent (FMR) for a two-bedroom apartment is $1,302. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $4,340 monthly or, $52,081, annually. Assuming a 40-hour work week, 52 weeks per year, and this level of income translates into a Housing Wage of $25.04.

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[14] Immigration Facts provided by the Federation for American Immigration Reform
http://www.fairus.org/site/PageNavigator/facts/national_data.html

[15] National Low-Income Housing Coalition; Out of Reach 2012 - New York – Page 143
http://nlihc.org/sites/default/files/oor/2012-OOR.pdf

In New Jersey, a minimum wage worker earns an hourly wage of $7.25. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 138 hours per week, 52 weeks per year. Or, a household must include 3.5 minimum wage earner(s) working 40 hours per week year-round in order to make the two-bedroom FMR affordable.[16]

Least Affordable States	Housing Wages For 2-Bedroom (2011)	Housing Wages For 2-Bedroom (2012)	Percent Increase/Decrease 2-bedroom Housing Wage
New York	$24.38	$24.68	1.23%
New Jersey	$24.54	$25.04	2.04%

National:

The Joint Center for Housing Studies of Harvard University says of national rental housing in 2012 – "Barring a dramatic bounce back in homeownership, renter household growth should remain strong for some time. In the near term, larger shares of younger households are opting to rent while foreclosures are forcing many older households out of homeownership and into the rental market. But even as the economic recovery gains traction and homeownership rates level off, rental demand should get a boost from higher household formations among the echo boosters." [17]

As demand continues to gather strength, multifamily constructions should increase in many metropolitan markets. The exceptions may arise in metros with stubbornly high vacancy rates, many of which are located in states hit hard by the foreclosure crisis. Capital, however, must be readily available to support this new construction. Lending amongst banks and life insurance companies has begun to increase, but federal sources still guarantee a large majority of new loans. If the federal government pulls back from the multifamily market, private lending will have to considerably increase in order to support this important segment of the housing market.

In addition, tighter rental markets will make it increasingly difficult for lower-income households to find affordable housing. Rents on most newly constructed units are well out of reach, and the recent jump in multifamily production will do little to alleviate this shortage. Public subsidiaries are needed as an alternative, to close the gap between what low-income households can afford to pay for rent and what it costs to develop decent housing. At present, the Low Income

[16] National Low-Income Housing Coalition; Out of Reach 2012: - New Jersey – Page 137
http://nlihc.org/sites/default/files/oor/2012-OOR.pdf

Housing Tax Credit program is the primary means of adding to the affordable housing stock, but reaching lowest-income renters will take deeper subsidies than this program currently provides.[17]

Homeownership Trends:

- Homeownership rates fell 0.8 percent in 2011, which reflects the largest drop in seven consecutive years of decline. At 65.4 percent in the first quarter of 2012, the national rate was at its lowest level since the first quarter of 1997 and 3.8 percentage-points below the peak in the fourth quarter of 2004.
- This consistent decline is reflective of both the high level of foreclosures, and the decline of households moving into homeownership. These forces have collectively resulted in a reduction of the number of homeowners, and an increase in the number of renters. The substantial drop last year marks acceleration in both trends, with the number of owner households down by 350,000 and the number of net new renters up by 1.0 million. As compared to the peak number of homeowners in 2006, there were 1.0 million fewer owners and 3.9 million more renters at the end of 2011.
- In the forthcoming years, homeownership rates among younger households will remain under pressure. Members of the large echo-boom generation are only starting to enter the housing market, but primarily as renters. An increasing number of middle-aged households are delaying homeownership or returning to rental housing, as well. Furthermore, as millions of distressed homeowners lose their homes to foreclosure, it will take years for them to repair the resulting will be required in order to they will require years to repair their tarnished credit records before buying again. As a result, increases in the number of renters will continue to outpace any growth in homeowners. If not for older households, who have high homeownership rates and account for an increasing share of the population, the decline in the national homeownership rate would be much greater.[18]

[17] Joint Center for Housing Studies of Harvard University: "The State of the Nation's Housing 2012" – Rental Housing, Pg 26
http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2012_rental_housing.pdf

[18] Joint Center for Housing Studies of Harvard University: "The State of the Nation's Housing 2012" – Homeownership, Pg 17 & 21
http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2012_homeownership.pdf