



Federal Home Loan Bank
NEW YORK

HOUSING & COMMUNITY LENDING PROGRAMS

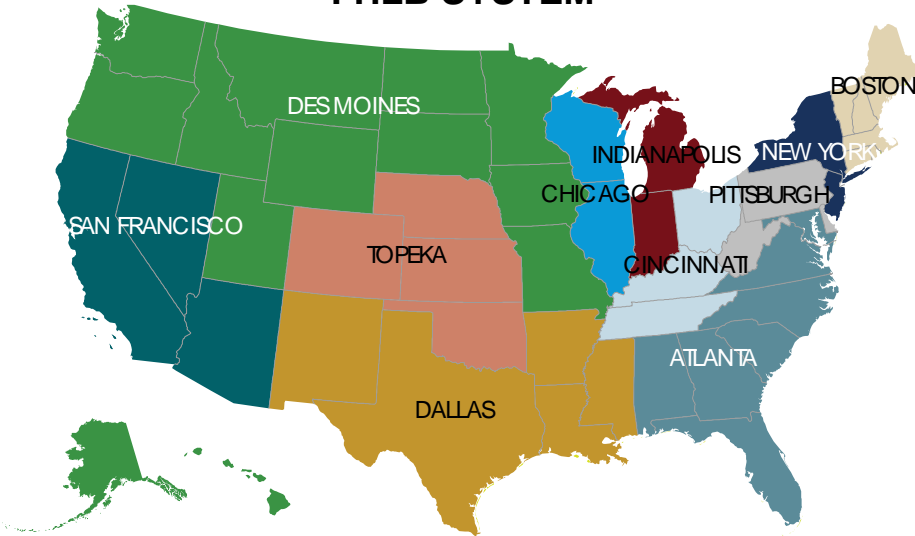
*Rebuild It: Private Sector Resources for Neighborhood Revitalization and
Community Stabilization*

October 21, 2016



THE FEDERAL HOME LOAN BANK SYSTEM (FHLBANKS)

FHLB SYSTEM



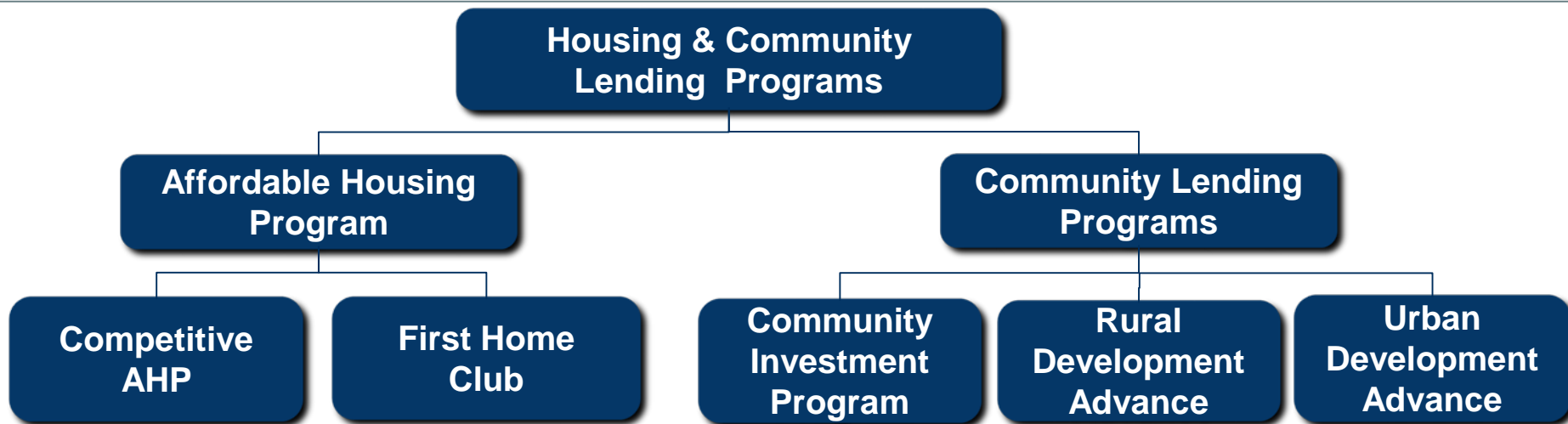
FHLB NY SECOND DISTRICT



- Government Sponsored Enterprise (GSE) created by Congress in 1932 - Housing Mission!
- Primary business is extending credit to banks, thrifts, credit unions, insurance companies.
- Eleven independent cooperatives are owned by Members, who purchase FHLB stock.
- Total FHLB System Membership as of June 30, 2016 was 7,184 institutions. FHLB NY – 340.
- The total Advances to Members, system wide, as of June 30, 2016 was \$685 billion.
- The FHLBanks awarded \$89.2M in homeownership set-aside funds in 2015. Since 1995 a total of \$865M has been awarded in set aside programs.



HOUSING & COMMUNITY LENDING PROGRAM OVERVIEW



The Affordable Housing Programs:

- AHP Competitive Application Program
- AHP Homeownership Set-Aside Program/ First Home Club

Targets 80% AMI or Lower
Targets 80% AMI or Lower

The Community Lending Programs (CLP):

- Community Investment Program (CIP)
Level)
- Rural Development Advance (RDA)
Tract)
- Urban Development Advance (UDA)
Tract)

Targets 115% AMI or Lower (County

Targets 115% AMI or Lower (Census

Targets 100% AMI or Lower (Census



PROGRAM BENEFITS

Housing and Community Lending Programs



Community

- New & rehabilitated affordable housing
- Increased homeownership
- Job creation
- Increase local tax base



Members

- Provides a tool to facilitate housing and meet CRA goals
- Potential for new customers



FHLBNY

- Further the Bank's Strategic Plan
- Programs contribute to the Bank's core mission



2016 AHP FUNDS AVAILABLE & WHO CAN GET ACCESS AHP AND/OR FHC

AHP Allocation: **\$46,181,242** (10% of HLB 2015 Net Income)

- Competitive AHP: **\$31,500,000**
- First Home Club (Set-Aside): **\$14,600,000** (May be increased as needed)

AHP and FHC funds may only be accessed through a participating Member

- For a list of HLB Members see www.fhlbny.com and click on “Members”
- Project sponsors may include:
 - Non-profit Affordable Housing organizations
 - State or local government agencies
 - For-profit developers
 - Accredited Counseling Agencies (for FHC Program)



AFFORDABLE HOUSING AND COMMUNITY LENDING PROGRAMS



COMPETITIVE AHP OVERVIEW

Program Structure

- Competitive program --- One annual offering (Round closed July 8, 2016)
- Applications are analyzed through a multi-stage process including program eligibility, scoring and financial feasibility. Top scoring applications that satisfy all criteria are recommended for approval until AHP funds are exhausted.

Program Requirements

- Maximum subsidy is \$30,000 per unit or 10% of the annual competitive AHP allocation (\$3 Million per project for 2016)
- Funds may only be used for approved purposes:
 - Acquisition, construction or rehabilitation of:
 - Rental housing in which at least 20% of the project's occupants earn 50% or less of the area median income
 - Owner-Occupied housing in which the household earns 80% or less of the area median income
- 15 year retention period for rental projects / 5 year retention period for homeowner projects
- An AHP Implementation Plan is published every year and includes specific criteria and guidelines. Posted on FHLBNY.com, click on "Community"



BENEFITS OF PARTICIPATING IN THE COMPETITIVE AHP

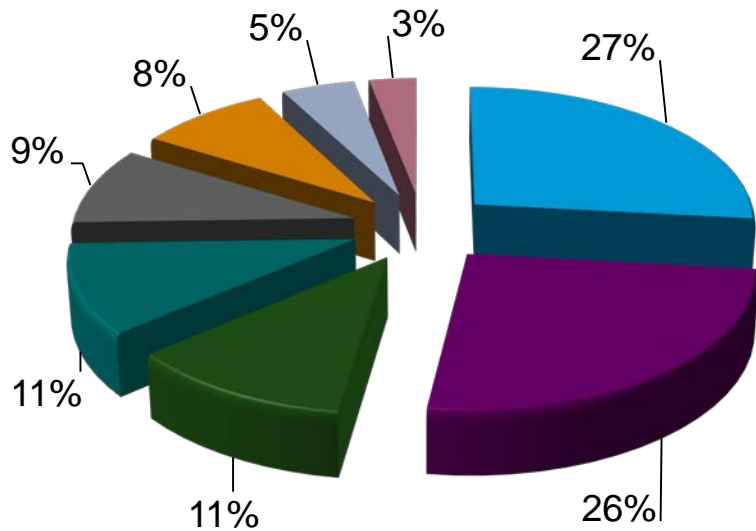
- Provide affordable housing for moderate-, low- and very low-income households
- Build relationships / partnerships with non-profit and for-profit affordable housing developers
- Members and non-profit housing groups can develop and maintain partnerships to better serve the housing needs in their community
- Enhance community relations by gaining recognition for community investment activities in their communities
- Increase Congressional recognition
- Members may receive CRA credit for their participation



COMPETITIVE AHP PERFORMANCE

FUNDING BY REGION

Since Inception (1990 – 2015)



Region	Subsidy Awarded
Western NY	\$137,122,090
Metro-Area NY	\$131,289,741
Northern NJ	\$ 59,233,457
Upstate NY	\$ 55,096,734
Central NJ	\$ 47,376,228
Southern NJ	\$ 43,779,401
Out of District	\$ 24,121,841
Puerto Rico & US Virgin Islands	\$ 15,626,889

TOTAL ACTIVITY SINCE

INCEPTION

Total Subsidy: **\$513,646,381**

Total Units of Affordable Housing Created: **65,000**

COMMUNITY LENDING PROGRAMS OVERVIEW

- Established in 1989 under section §1292, “Community Investment Cash Advance (“CICA”) Programs”, of the Federal Housing Finance Agency regulations as a non grant and non set aside program.
- Comprised of three (3) distinct CLP programs:
 - Community Investment Program (“CIP”) - supports Residential Lending
 - Rural Development Advance (“RDA”) - supports Economic Development activity
 - Urban Development Advance (“UDA”) - supports Economic Development activity
- Permits Disaster Relief Funding (“DRF”) programs, offered by the Bank from time to time, under the RDA and UDA programs.
- Funds Member originated loans (within last 90 days) for low-to moderate income families and in low-to-moderate areas on either:
 - “Project Specific” where a Member match-funds a specific project loan, or
 - “Program Specific” where loans are provided on a periodic basis across scattered sites and the Member may take an advance up to the aggregate amount of the eligible loans submitted.



FIRST HOME CLUB PROGRAM



FIRST HOME CLUBsm PROGRAM OVERVIEW

- Non-competitive first-time homebuyer set-aside of the Affordable Housing Program (AHP) established in 1995
- Provides down payment and closing cost assistance to first-time home buyers
- Resident of the FHLBNY's district area (NY, NJ, Puerto Rico and U.S. Virgin Islands)
- Homeownership counseling is required by all Household Members executing the FHLBNY Promissory Note
- Residential 1-4 family, co-ops, condos and mobile homes (attached to permanent foundation)
- Remain in the home during five-year retention period
- Maximum of 35% of the annual AHP allocation may be set-aside for First Home Club



FIRST HOME CLUB REQUIREMENTS & BENEFITS

First Home Club provides down payment and closing cost assistance to first-time homebuyers

Requirements:

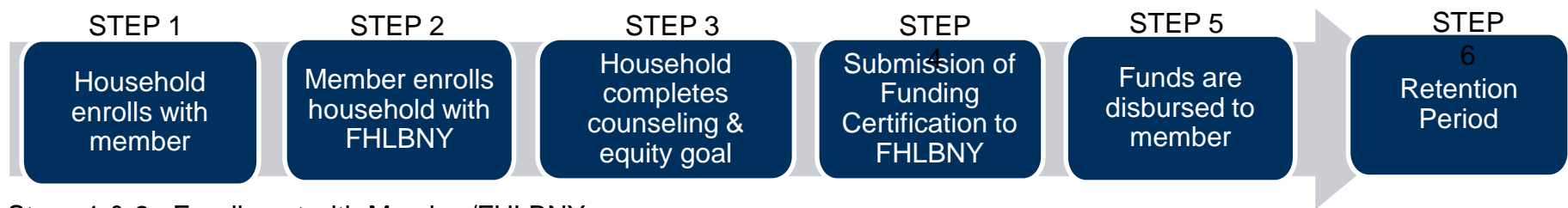
- Household income cannot exceed 80% of area median income.
- Household must save for a minimum of 10 months.
- FHLBNY matches household savings 4:1 up to \$7,500 per unit.
- Member establishes dedicated deposit account and extends mortgage loan.
- Must participate in first-time homebuyer counseling (minimum of 6 hours).
- Achieve homeownership within 24 months of household enrollment in the program.



Benefits:

- Creates homeownership opportunities.
- Provides residential lending opportunities.
- Increases banking relationships.
- Enhances CRA credit.
- Creates partnerships with local non-profit organizations.
- Not-for-profit housing agencies can receive up to \$500 in reimbursement costs.
- Enhances public relations and community position.

FIRST HOME CLUB HOUSEHOLD LIFECYCLE



Steps 1 & 2: Enrollment with Member/FHLBNY:

- Household income documentation is collected and approved by the member and deemed eligible for the First Home Club Program
- Household and member complete Enrollment Terms and Condition Form
- Household opens a systematic savings account with the member
- Member enrolls household with FHLBNY via monthly Enrollment Report

Step 3 - Household Completes Counseling & Equity Goal:

- For a minimum of 10 months, household makes consistent and consecutive deposits in dedicated savings account
- Household completes homeownership counseling in line with FHLBNY requirements, receiving a completion certificate

Step 4 - Submission of Funding Certification to the FHLBNY:

- Member submits a Funding Certification to the FHLBNY with required documentation (i.e., W-2, paystubs, Enrollment Terms and Conditions Form, etc.) within 5 days of issuance of mortgage commitment to homeowner
- FHLBNY reviews for eligibility and issues approval to member

Step 5 - Funds are Disbursed to Member:

- Retention documents are received from the member and reviewed to confirm fully executed and appropriate use of subsidy
- Funds are disbursed to the member's account on a post-closing basis

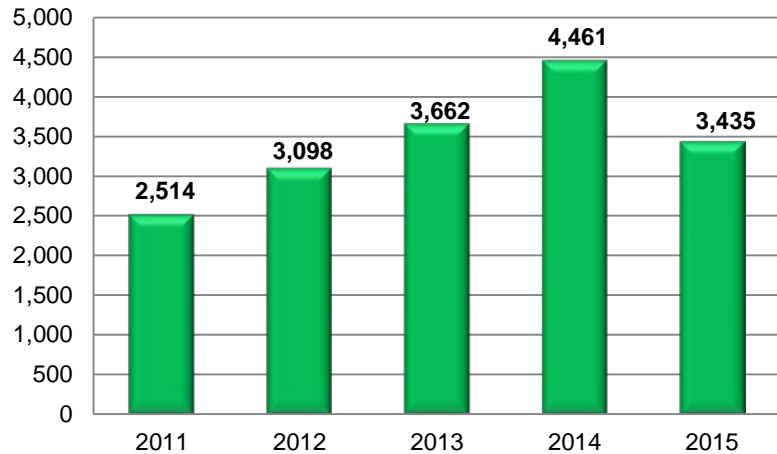
Step 6 - Retention period

- Household is required to remain in the home for a 5-year retention period



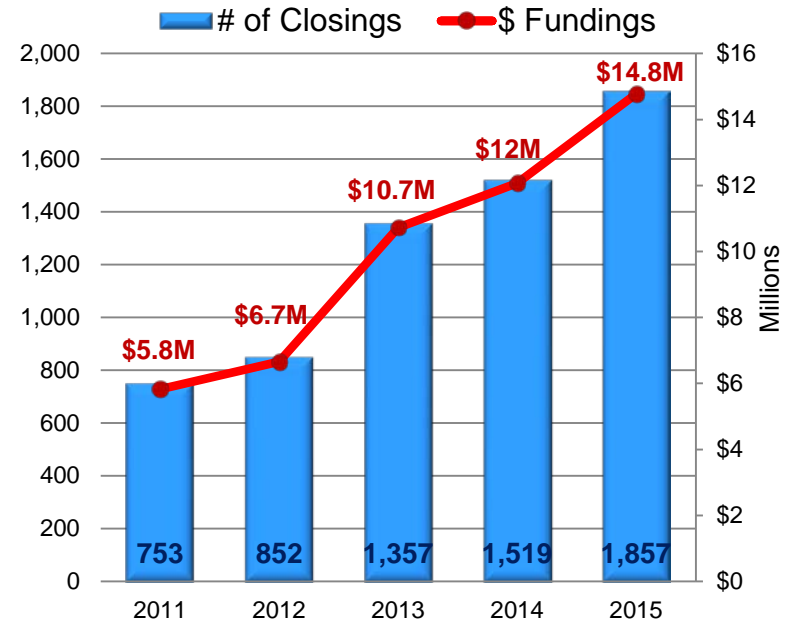
FIRST HOME CLUB GROWTH

HOUSEHOLD ENROLLMENTS



Average yearly increase of 21% until implementation of Program/Member caps in 2015

HOUSEHOLD FUNDING

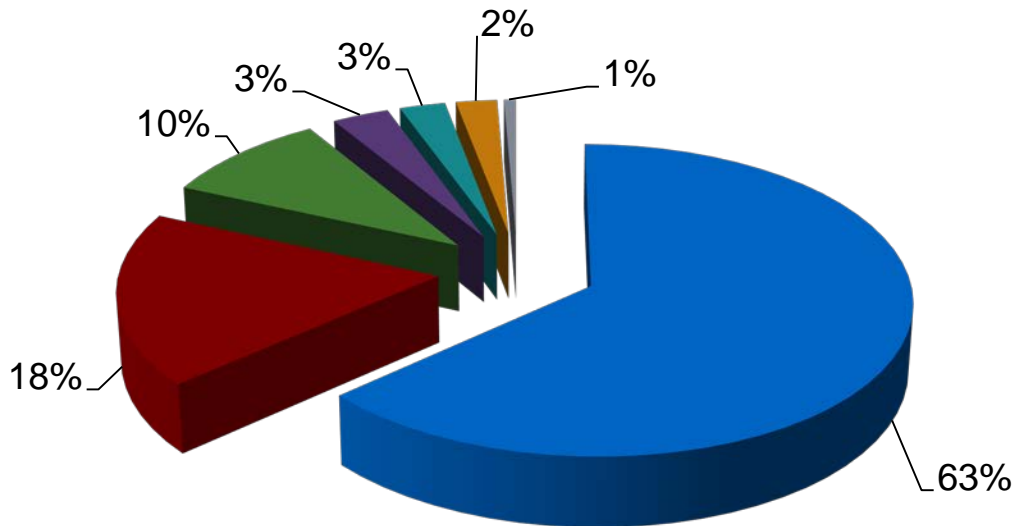


Year over year increases: 13% in 2012; 59% in 2013; 12% in 2014; and 22% in 2015

FIRST HOME CLUB PERFORMANCE

FUNDING BY REGION

Since Inception (1995 – 2015)



Region	Subsidy Awarded
Western NY	\$49,723,075
Upstate NY	\$14,307,157
Metro-Area NY	\$ 7,482,620
Central NJ	\$ 2,508,371
Puerto Rico	\$ 2,014,675
Northern NJ	\$ 1,811,394
Southern NJ	\$ 525,358

TOTAL ACTIVITY SINCE

INCEPTION

Number of First-Time Homebuyers Funded: **11,063**

Total Subsidy Awarded: **\$78,372,650**



BEST PRACTICES

- Households should come prepared with current income documentation at the time they open their savings account
- Household names should be consistent on commitment letters, 1008 & 1003 and closing documents
- Savings deposits should be continuous and consistent monthly deposits as agreed upon in the Enrollment Terms and Conditions
- Review documentation from counseling agencies and/or branches for accuracy/completeness
- Internal pipeline management/communication between branch network, loan officers, and/or counseling agencies is vital
- Designation of central point person and identification of coding system for FHC accounts
- Utilize FHLBNY FHC Team as a resource for questions/issues prior to enrolling a household





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NEW YORK

Advancing Housing and Community Growth

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