

AHP: 20 YEARS OF  
MAKING HOMES AFFORDABLE





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# AHP: 20 Years of Making Homes Affordable

The winding down of the savings and loan crisis of the 1980s brought with it a growing awareness of the benefits communities can derive from making housing affordable to as many families and individuals as possible. When people find safe, decent and stable homes, they not only better their own lives and those of their families, but they typically contribute more – socially and financially – to their communities.

Congress addressed this awareness in 1989 by expanding the mission of the Federal Home Loan Banks (FHLBanks) to include affordable housing and economic development. In the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), each FHLBank was charged with contributing a portion of its net income – 5% from 1990 through 1993, 6% for 1994, and 10% from 1995 on – to affordable housing. In 1990, the duly named Affordable Housing Program (AHP) began providing financial assistance through member banks to help create housing for low- and moderate-income families.

Even though FHLBank Pittsburgh was one of the smaller FHLBanks in 1990, it received 113 applications for affordable housing funds in AHP's inaugural year, more than any other FHLBank in the System. The announcement of the first funding awards was made on July 16, 1990, as 14 projects received \$5.35 million in funding commitments – all low-interest subsidized loans, consistent with how the program was originally designed. Projects awarded AHP funds excel at any number of affordable housing goals, which include advancing innovation, maximizing impact, meeting special needs and promoting quality.

### FHLBank Pittsburgh's AHP Timeline





**Advancing Innovation** Projects that score highly in AHP funding rounds often do something a little differently than other projects. It's this innovative thinking that can lower construction costs, create operational efficiencies, ensure better retention rates or enhance local communities where projects exist.

Part of a larger effort to build 103 new units of affordable housing in three phases, Arbor Place Phase II exhibited just such innovation. Arbor Place Phase II entailed the construction of 30 townhomes – 15 for low-income, 15 for moderate-income households – located on Parma Avenue, just south of Wilmington, Delaware. FHLBank member Wilmington Savings Fund Society (now WSFS Bank) made possible a low-interest AHP advance of approximately \$1.5 million to support the project.

In 1990, when the project was awarded funding, mixed-income housing was an innovation in itself. But what really made the project unique was that, while families and individuals initially rented the townhomes, they were expected to purchase them within three to five years. The project developer, Interfaith Housing Task Force (now Interfaith Community Housing of Delaware), arranged for the home purchases, which empowered 30 families to have a strong financial stake in their community.

## Arbor Place Phase II

**Location:**  
Wilmington, Delaware

**Original Lender:**  
Wilmington Savings Fund Society, FSB

**Project Sponsor:**  
Interfaith Housing Task Force, Inc.

**Purpose:**  
New construction of 30 lease/purchase townhomes

**Amount Awarded:**  
\$1,523,353 subsidized advance

**“WSFS Bank is gratified to support affordable housing through projects like Arbor Place Phase II. The AHP has been an excellent source of funding for projects that put a high premium on innovation and overall community impact.”**

**– Mark Turner, Chief Executive Officer,  
WSFS Bank, Wilmington, DE**

\$25 million in AHP funding exceeded

Reached \$500 million in total development supported by AHP

First HBEF funds distributed

10,000 units of affordable housing surpassed

**Maximizing Impact** A scattered-sites approach to development can maximize impact because it covers a broad area that touches many neighboring properties, while also helping to encourage an ample mix of housing stock throughout the community.

Hosanna Industries of Rochester, PA, has always sought to do just that. Whether it's building homes for purchase by low-income homebuyers or rehabbing homes of existing homeowners, Hosanna has maximized its impact on local communities all across Western Pennsylvania. Over the past 20 years, Hosanna has used AHP funding to build or rehab 923 units of affordable housing, while completing hundreds more with other funding. Mars National Bank has championed the project funding – including \$2.92 million in AHP grants delivered over eleven funding rounds.

Working in both urban neighborhood and rural locations, Hosanna is unique in that it incorporates into its model a campus that has housed dozens of young adults who have committed their lives, often for many years, to Hosanna's mission. Hosanna also takes advantage of the specialized skills of local artisans, as well as the volunteerism of various corporations, civic organizations, churches and other nonprofits.



**Hosanna Industries  
Scattered Sites**

**Location:**  
Western Pennsylvania

**Original Lender:**  
Mars National Bank

**Project Sponsor:**  
Hosanna  
Industries, Inc.

**Purpose:**  
Building homes for  
purchase and  
rehabbing existing  
homes for 923 families  
and individuals

**Amount Awarded:**  
\$2,921,139 in grants

*“Along with a new home, you gave us a sense of dignity. I was ashamed to tell people where I lived, and I usually avoided giving a specific location. I’m now proud to say where I live. My kids and I thank you from the bottom of our hearts.”*

**– Debra Filson, Homeowner,  
Butler County, PA**

Bested \$1 million  
in HBEF

Spring 1998

Passed \$50 million in  
AHP funds awarded

Fall 1998

Total development costs of AHP-funded  
projects surpassed \$1 billion

December 1999



**Meeting Special Needs** Whether it's the elderly or the homeless, the disabled or the displaced, the AHP has helped to finance projects that meet the special housing needs of all kinds of people and family situations.

The Dutch Kitchen SRO project, funded in 1990, involved the purchase and rehab of a hotel-tavern on West Market Street in York, PA, into a single-room-occupancy building for 59 low-income men and women. It was the first permanent housing facility for women in downtown York, where the need was greatest. While AHP funding was initially committed to the project as a \$710,000 subsidized advance made through York Federal Savings & Loan Association (now Sovereign Bank), nearly half of it was later changed to a grant.

Developers designed the project to include mixed-use space. In addition to the residency areas, the building features a restaurant, barbershop, laundry/community room and a counseling area. The project opened in 1992 and is still going strong today. It's a clear example of how AHP helps communities meet their special housing needs while improving the quality of life for local residents as well.

## Dutch Kitchen SRO

**Location:**  
York, Pennsylvania

**Original Lender:**  
York Federal Savings & Loan Association

**Project Sponsor:**  
381 Associates/York Area Development Corporation

**Purpose:**  
59 units for low-income single adults

**Amount Awarded:**  
\$710,000 subsidized advance

**“A primary focus of the AHP is to provide housing for the homeless, those with special needs, and other underserved populations. For many it can mean the difference between living on the streets or having a warm, safe place to call home.”**

**– Gwynn Lind, Senior CID Specialist – Operations, FHLBank Pittsburgh**

\$1 million set aside from AHP for flood relief in WV

AHP Online electronic application process introduced

Passed \$100 million mark in AHP funds awarded

**Promoting Quality** With the AHP, it's not just the quantity of available housing that matters – it's the quality, too. Housing that's decent and safe improves the lives of residents, preserves property values, and creates more attractive neighborhoods.

In 1990, The Randolph & Tucker Counties Housing Project was awarded an AHP subsidized advance of \$150,000 – at terms of 15 years, and below market rate – to assist in the rehab of 27 homes for existing homeowners in Randolph and Tucker counties. When Atlantic Financial of West Virginia merged out of district in 1991, the advance was taken over by First National Bank of Elkins (now Citizens Bank of West Virginia).

This scattered-sites project was managed by the Randolph County Housing Authority, which arranged for low-interest loans to homeowners for rehab purposes. Homeowners would normally have had to pay the going rate of about 13% on home repair loans. Instead, these low-income families were offered terms of 3% and provided credit and budget counseling, while asked to contribute sweat equity as they were able. The project enabled vital improvements to the quality of existing housing stock.



**Randolph & Tucker Counties Housing Project**

**Location:**  
Randolph County,  
West Virginia

**Original Lender:**  
Atlantic Financial

**Project Sponsor:**  
Randolph County  
Housing Authority

**Purpose:**  
Scattered sites rehab  
of 27 owner-occupied  
homes

**Amount Awarded:**  
\$150,000 subsidized  
advance

**“West Virginia’s housing stock is very old, with 61% of the units being built over 60 years ago. With incomes consistently lower than the national average, owners have not always been able to keep these structures in sound condition. This is why home repair programs – such as those supported by the AHP – are so very important in our region.”**

**– Karen Jacobson, Executive Director,  
Randolph County Housing Authority, Elkins, WV**

HBEF renamed  
First Front Door

Exceeded \$2 billion in total  
development costs of  
AHP-funded projects

Surpassed \$25 million in  
First Front Door funding

# AHP: 20 Years of Strengthening Communities

Over the past 20 years, AHP has proven to be one of the most effective housing assistance programs in the U.S. FHLBank members have made possible more than \$3.7 billion in AHP funding – which is now comprised almost entirely of grants – to help build more than 670,000 units of affordable housing in every part of the country. AHP is also the largest funder of Habitat for Humanity projects nationwide.

To date, FHLBank Pittsburgh has funded more than \$164 million in AHP dollars, helping to create nearly 26,000 units of affordable housing. The AHP has also spawned a number of subsidiary programs around the U.S., including FHLBank Pittsburgh's First Front Door program, which has provided approximately \$34 million in closing cost and downpayment assistance to more than 8,500 first-time homebuyers.

But the numbers don't tell the whole story. AHP's success can be measured every time a family finds a safe, decent place to live. It can be witnessed every time a special housing need is met. It can be felt every time a hard-working couple discovers they can indeed afford the American dream of owning their first home. FHLBank Pittsburgh and its members have been striving to make homes affordable every day for more than 20 years. And when homes are affordable, lives are changed, families are brought closer together, communities become stronger.

Exceeded \$150 million in  
AHP funding

Surpassed 25,000 affordable  
housing units supported

20th Anniversary  
of AHP



# Federal Home Loan Bank

Future Site Of  
1999 Habitat for Humanity House  
at the Federal Home Loan Bank  
National Initiative of the 10th Anniversary  
for the Affordable Housing

Sponsored by:  
Federal Home Loan Bank of Pittsburgh  
Pittsburgh Habitat for Humanity  
Hosanna Industries  
West View Savings Bank

# Affordable Homes, Stronger Communities

The Federal Home Loan Banks have always championed a mission to ensure that member financial institutions have ready access to financing for housing. That was true in 1932, and it's still true today. With the passage of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), that mission was expanded to include a focus on community and economic development, especially housing for lower-income families and individuals. As a result of this legislation, the Affordable Housing Program (AHP) was born.

The FHLBank system now represents the largest private sector source of grants supporting low-income housing in the U.S. Over the past 20 years, since the first AHP project funding was announced on July 16, 1990, FHLBank Pittsburgh has committed more than \$164 million in AHP dollars, helping to build nearly 26,000 units of affordable housing and supporting more than \$2.9 billion in total development. These efforts have contributed significant resources to creating strong, healthy communities all across the region.

The AHP has been widely acknowledged for its flexibility, as funds may be used in combination with other sources of financing such as Low-Income Housing Tax Credits and Community Development Block Grants. Also of note, AHP assistance often takes the form of gap funding, offering the final piece to the financing puzzle for many projects.

So successful has the AHP been that the National Housing Conference (NHC) will honor it with the 2010 "Housing Program of the Year" Award in Washington, DC, on June 9. This award is one of the most recognized and highest industry honors.

As powerful as AHP has been over those 20 years, a number of other programs and initiatives of FHLBank Pittsburgh have also been vitally important in strengthening communities throughout Delaware, Pennsylvania and West Virginia. (See pages 12-18 for a report on program successes in 2009.) All of these programs and initiatives have strengthened the very foundations upon which communities in our region rest. They've provided affordable housing, helped businesses, created jobs, made homeownership possible, added infrastructure, built capacity and educated young people. They represent work we can all be proud of.

Along with AHP's birth in 1990 came the advent of the Affordable Housing Advisory Council. This group of dedicated community development professionals assists FHLBank in reaching its community investment goals. The Affordable Housing and Products & Services Committee of the Board of Directors also provides direction and advice. We thank both groups for their significant contributions to advancing community investment at FHLBank.

May we all strive – alongside our committed member banks and community investment partners – to continue the work of making housing affordable and strengthening communities in 2010 and beyond.



A handwritten signature in black ink that reads "John R. Price".

**John R. Price**  
President &  
Chief Executive Officer,  
FHLBank Pittsburgh



A handwritten signature in black ink that reads "Patrick J. Ward".

**Patrick J. Ward**  
Chair, Affordable Housing  
and Products & Services  
Committee of the Board, and  
Chairman of the Board and  
Chief Executive Officer,  
Penn Liberty Bank



A handwritten signature in black ink that reads "Glenn R. Brooks".

**Glenn R. Brooks**  
Chair, Affordable Housing  
Advisory Council, and Senior  
Vice President of Leon N.  
Weiner & Associates, Inc.

## 2009 At-A-Glance

In addition to the initiatives featured on the following pages, these highlights represent a cross-section of community investment achieved throughout 2009 by FHLBank Pittsburgh, its member financial institutions and community partners across the region.

### Banking On Business

The Banking On Business (BOB) program offered 38 small businesses more than \$4 million dollars, channeled through member banks, creating or preserving approximately 450 jobs in 2009. Since 2000, BOB has provided more than \$40 million to more than 400 small businesses, creating or preserving more than 5,000 jobs in the region.

### My Money, My Life

My Money, My Life – a financial literacy initiative aimed at young people in Allegheny County, Pennsylvania – achieved its five-year goal to educate at least 1,000 young people, who now have a better grasp of personal finance and economic issues.



NeighborWorks Western Pennsylvania education coordinator Courtney George looks on as graduates LaShae Robinson and Johnray Winstead celebrate the five-year achievement of My Money, My Life.

### Affordable Housing Program

The Affordable Housing Program (AHP) supported total development costs of more than \$50 million in 2009. Member banks assisted community development sponsors with nearly \$3.5 million in funding to 17 projects, which will create 439 units of affordable housing in the district. To date, FHLBank Pittsburgh has funded more than \$164 million in AHP dollars, helping to create nearly 26,000 units of affordable housing.

## Blueprint Communities

In early 2009, nine teams of community leaders in Delaware completed training in Blueprint Communities, an initiative targeted to building development capacity in communities. Blueprint Communities has now trained 41 teams in our three-state region, which has resulted in leveraging more than \$122 million in community development to date. Each team included a member bank representative. Additional opportunities for existing Blueprint Community teams are planned for 2010.



Kicked off in Delaware in 2008, the Blueprint Communities revitalization initiative continues to make banner headlines all across the district.

## Community Lending Program

The Community Lending Program (CLP) continued to be an important resource for member banks working with developers to fund community investment across the region. In 2009, members used CLP to fund more than \$80.5 million in portfolio loans and more than \$41.5 million in project-specific loans, bringing outstanding CLP balances to more than \$611 million.

## First Front Door

The First Front Door (FFD) program was suspended early in 2009, but not before more than 400 homebuyers had received assistance with downpayment and closing costs. Approximately \$1.9 million in FFD assistance was provided through member banks to these first-time buyers. Since program inception in 1996, FFD has awarded more than \$34 million in grants to make homeownership possible for more than 8,500 families and individuals.

# Educational Opportunities Add Value to FHLBank Membership

In 2009, FHLBank Pittsburgh successfully partnered with experts to facilitate high quality educational opportunities on community investment topics valuable to members in a challenging economic climate. In total, 70 member banks took advantage of at least one opportunity – seminar or webinar – to learn more about community investment.

## **Low-Income Housing Tax Credits Seminar**

Educational sessions titled “Low-Income Housing Tax Credits Simplified” were held on June 23 at the Down Town Club in Philadelphia and on October 23 at the Federal Reserve Bank of Cleveland, Pittsburgh Branch. Sessions were co-sponsored by the Office of the Comptroller of the Currency and the Federal Reserve Banks of Philadelphia and Cleveland, respectively. In Philadelphia, 61 individuals attended, with representation from 17 member banks. The Pittsburgh session included 54 attendees, with representation from 12 member banks.

## **Neighborhood Assistance Program Webinars**

FHLBank Pittsburgh and the Pennsylvania Department of Community and Economic Development held webinars on the Neighborhood Assistance Program on August 18 and August 24. Thirty-six individuals participated representing 30 member banks in Pennsylvania.

## **Business and Industry Lending Seminars**

Sponsored by the USDA Rural Development, the U.S. Small Business Administration, the Bank and area members of Congress, these seminars included information about opportunities and programs available to banks and other stakeholders to enhance their business lending. Pennsylvania seminars were offered on November 5 in Ridgeway (Elk County), November 12 in Wilkes Barre, November 16 in Pine Grove, December 1 in York and December 14 in Cranberry. Representatives from 32 member banks attended at least one seminar.

FHLBank Pittsburgh is offering more educational opportunities in community investment to members throughout 2010. Webinars on Pennsylvania Housing Finance Agency (PHFA) programs were held in February, and an additional Business and Industry Lending seminar was held April 8. For more information on upcoming opportunities, contact the Community Investment Department or check the events calendar on FHLBank’s public web site: [www.fhlb-pgh.com](http://www.fhlb-pgh.com).

# Letters of Credit for Tax-exempt Projects: Good for Communities, Good for Banks

With an expanded authority for letters of credit (LOCs) going into effect in 2009, FHLBank Pittsburgh was able, for the very first time, to support tax-exempt bond deals by wrapping its triple-A rated LOCs around members' LOCs. Through early 2010, FHLBanks nationwide had executed 147 tax-exempt LOC deals totaling \$4 billion. As turmoil in the markets made it difficult to close certain bond issues for community investment projects, this new authority enabled members to fill the gap.

Examples of tax-exempt opportunities include the financing or refinancing of:

- Water and sewerage facilities
- Municipal general obligations
- Industrial development
- Healthcare projects
- Retirement communities
- Nonprofit service organizations
- School districts, private schools, colleges or universities
- Multi-family housing.



FHLBank LOCs can support original or refinanced tax-exempt bonds through a single lender or a consortium of members. The FHLBank can issue an LOC confirming the local lender's letter of credit, or a direct pay LOC that allows the project to draw down funds directly from FHLBank, which is then reimbursed by the member.

Not only are LOCs applied to tax-exempt projects good for CRA credit, but they can enhance the bottom lines of member banks. FHLBank Pittsburgh members often have unused borrowing capacity that they can put to work. They may now use FHLBank LOCs as off-balance sheet opportunities to participate in community and municipal financings, earning fees while creating new relationships or developing cross-marketing opportunities with municipal and other agency customers.

Clearly, a number of community investment projects would not be funded without the support of an FHLBank LOC backing the deal for members. These LOCs are a prime example of doing well while doing good.

# 2009 Pillars of the Community Awards

The Pillars of the Community Awards honor member financial institutions for outstanding community investment efforts during the prior calendar year, including their use of FHLBank Pittsburgh's community investment programs: Affordable Housing Program (AHP), Banking On Business (BOB), Community Lending Program (CLP) and First Front Door (FFD). FHLBank Pittsburgh makes Pillars Awards to institutions that have achieved noteworthy success in advancing housing for lower-income families and promoting community stability and revitalization throughout the areas they serve.

## **Berkshire Bank**

Wyomissing, PA

Berkshire Bank was honored for channeling nearly \$500,000 in funding from FHLBank's BOB program during 2008 to help six small businesses get off the ground or grow, creating or retaining more than 40 jobs. Berkshire Bank also used more than \$4 million in CLP funds to assist 18 additional businesses. In addition, Berkshire Bank sponsored a number of charitable events, and management and staff volunteered actively in the local community throughout the year.

In recognition of this award, FHLBank donated \$1,000 to the Hawk Mountain Council of the Boy Scouts of America.

## **Brentwood Bank**

Bethel Park, PA

Brentwood Bank was recognized for its extensive, cost-competitive funding of housing, small business and nonprofits through FHLBank's CLP. In 2008, Brentwood Bank utilized more than \$7 million in CLP funds for residential housing and commercial development, to refinance debt and extend lines of credit to businesses, and for other community projects. In addition, Brentwood Bank supported a wide variety of volunteer and charitable activities.

In recognition of this award, FHLBank donated \$1,000 to Pittsburgh Habitat for Humanity.



## ESSA Bank & Trust

Stroudsburg, PA

ESSA Bank & Trust was cited for committing more than \$8 million in CLP funds during 2008 to support small business lending. The bank also utilized \$27,000 in BOB funds and channeled a grant of more than \$170,000 from the AHP to complete a 40-unit rental project. Additionally, the bank's management and staff served on boards and in leadership positions of nonprofits, joined fundraising teams and offered financial education to local residents.

In recognition of this award, FHLBank donated \$1,000 to the ESSA Bank & Trust Foundation.

## United Bank

Charleston, WV

United Bank was commended for using all four FHLBank programs during 2008, including several AHP projects that saw completion. United Bank was also active in FHLBank's Homeowners Rehabilitation Pilot Program, and was engaged in the Blueprint Communities initiative, participating on teams in both the town of Ansted and in Gilmer County. Also in 2008, employees and directors volunteered extensively for community development in their local areas.

In recognition of this award, FHLBank donated \$1,000 to the Roark-Sullivan Lifeway Center.

# 2009 Affordable Housing Advisory Council's Award

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

## Thomas A. Vento, Sr.

President and Chief Executive Officer  
Prudential Savings Bank  
Philadelphia, PA



# Financial Highlights

## Affordable Housing Program

(dollars in thousands)	2009	2008	2007	2006	2005
Total subsidies awarded	<b>\$3,446</b>	\$23,075	\$17,850	\$14,661	\$10,370
Number of housing units	<b>439</b>	2,292	2,112	1,974	1,401
Total development supported	<b>\$50,341</b>	\$448,251	\$302,347	\$251,658	\$181,470

## Banking On Business

(dollars in thousands)	2009	2008	2007	2006	2005
Total funds committed	<b>\$3,498</b>	\$7,022	\$7,070	\$6,636	\$3,000
Total amount funded	<b>\$4,019</b>	\$4,999	\$6,200	\$5,126	\$4,884
Businesses funded	<b>38</b>	54	60	48	50
Jobs preserved/created	<b>447</b>	444	609	517	662

## Community Lending Program

(dollars in thousands)	2009	2008	2007	2006	2005
Total refinance and new project development loans	<b>\$122,153</b>	\$245,662	\$307,723	\$142,319	\$107,255
Total balances outstanding	<b>\$611,480</b>	\$604,040	\$445,099	\$420,755	\$364,028

## First Front Door

(dollars in thousands)	2009	2008	2007	2006	2005
Total amount allocated	<b>\$65</b>	\$6,590	\$6,052	\$4,675	\$2,680
Homebuyers enrolled	<b>166</b>	1,755	1,639	1,226	377
Total amount disbursed	<b>\$1,859</b>	\$7,371	\$6,535	\$4,064	\$586
Homeowners funded	<b>406</b>	1,608	1,469	978	213

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

# Community Investment Assistance

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

## **Community Investment Department Application Assistance**

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

## **Project Development**

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

## **Community Development Partnership Building**

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

## **Effective Use of Community Investment Products and Services**

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

# Community Investment Programs

With a track record more than 20 years in the making, FHLBank Pittsburgh offers programs and services designed to meet a wide range of community investment needs throughout the region. By taking advantage of FHLBank's community investment funding, member financial institutions can meet the unique credit needs of their communities and still enjoy the rewards that enhance their bottom line.

## Affordable Housing Program

The Affordable Housing Program (AHP) has epitomized community investment success, funding more than \$164 million and helping to build nearly 26,000 units of housing since 1990. FHLBank Pittsburgh sets aside approximately 10% of its net income for community investment, the lion's share of which is awarded through the AHP program in competitive funding rounds.

Member financial institutions chartered in Delaware, Pennsylvania and West Virginia may apply for AHP funds. Members submit applications on behalf of a project sponsor – typically a nonprofit, local government, housing authority or for-profit housing development organization. Funding goes to projects that provide affordable housing to individuals and families with incomes at 80% or less of area median income, ensuring housing affordability regionwide.

In 2010, FHLBank Pittsburgh will commit approximately \$3 million in AHP dollars in one funding round. The 2010 application deadline is 5 p.m. on Thursday, September 9. Maximum funding amounts are \$250,000 per project. A new online application will be in use, with hands-on training workshops to be conducted at multiple locations in July 2010.

## Community Lending Program

The Community Lending Program (CLP) has been similarly successful over its long tenure at FHLBank Pittsburgh. This \$825 million revolving, noncompetitive source of discounted FHLBank advances has been used for all kinds of community and economic development projects, as well as to match-fund packages of mortgage and small business loans.

CLP advances are available at FHLBank's cost of funds – typically 20 to 40 basis points below FHLBank's regular loan rates. Financial structures, driven by the member, include lines of credit, fixed- and variable-rate loans, fixed rates up to 30 years, a forward rate lock option, and permanent, construction or bridge financing.

There are no changes to this program for 2010. Funding is readily available and distributed on an as-needed basis.

## Banking On Business

Since 2000, the Banking On Business (BOB) program has helped small businesses start up or expand. BOB finances eligible small businesses with recoverable assistance made on a first-come, first-served basis. Delivered through member financial institutions, each BOB dollar FHLBank contributes will likely leverage an additional \$6 in financial resources for small businesses. Since program inception, BOB has provided more than \$40 million to more than 400 businesses, creating or preserving more than 5,000 jobs in the region.

For 2010, the Federal Home Loan Bank of Pittsburgh (FHLBank) has \$3.5 million of BOB funding available, which will be distributed through two registration periods. The first registration period opened on March 8, 2010, for \$2 million, including a \$500,000 set-aside for small businesses located in or serving Blueprint Communities. This set-aside will expire on September 1, 2010. The second registration period will open on September 1, 2010, for \$1.5 million plus any unused funds remaining from the Blueprint Communities set-aside.

The 2010 BOB program parameters are the same as 2009 with the addition of two new parameters:

- (1) All businesses will be required to certify the full-time equivalent jobs projected to be created or retained. Businesses requesting greater than \$25,000 of BOB funds per job created or retained will be required to submit a narrative demonstrating the transaction's economic impact.
- (2) Members will be required to submit their lending policy if it has changed since enrollment in BOB.

## First Front Door

Unfortunately, due to funding constraints, the First Front Door (FFD) program will not be offered in 2010. FHLBank Pittsburgh is committed to reinstating the program when financial conditions allow it.

Begun in 1996, FFD has traditionally helped first-time homebuyers at or below 80% of the area median income with downpayments and closing costs. To date, FFD has awarded more than \$34 million in funds to more than 8,500 first-time homebuyers in the region. For every \$1 of a participant's savings, FHLBank Pittsburgh provides \$3 in FFD grant assistance, up to a maximum of \$5,000. With a homeownership counseling component central to the program, more first-time buyers are able to both purchase a home and stay in it for the long term.

For more information on community investment programs, visit the Housing & Community page of FHLBank's web site at [www.fhlp-gph.com](http://www.fhlp-gph.com), or call the Community Investment Department at 1-800-288-3400, x2826.

# 2010 Affordable Housing Advisory Council



Seated (L-R): Christopher Gulotta, Gloria Guard, Fred Banuelos, Glenn Brooks, Joseph Yarzebinski, Kelley Goes. Standing (L-R): Ronald Miller, Brenda Wells, Nathan Yoder, Penny Eddy, Joel Johnson, Lamont McClure, Beverly Coleman, Mary Hunt-Lieving, Paul Calistro Jr.

**Glenn Brooks, Chair**  
Senior Vice President  
Leon N. Weiner &  
Associates, Inc.  
Wilmington, DE

**Brenda Wells, Vice Chair**  
Director, Western PA Region  
Pennsylvania Housing  
Finance Agency  
Pittsburgh, PA

**Fred Banuelos**  
Deputy Director  
DCED, Governor's Center for  
Local Government Services  
Harrisburg, PA

**Paul Calistro Jr.**  
Executive Director  
West End Neighborhood  
House, Inc.  
Wilmington, DE

**Beverly Coleman**  
Executive Director  
NeighborhoodsNow  
Philadelphia, PA

**Penny Eddy**  
Consultant  
McKean County Housing and  
Redevelopment Authority  
Smethport, PA

**Kelley Goes**  
Cabinet Secretary  
West Virginia Department  
of Commerce  
Charleston, WV

**Gloria Guard**  
President  
People's Emergency Center  
Philadelphia, PA

**Christopher Gulotta**  
Executive Director  
Cumberland County  
Redevelopment &  
Housing Authority  
Carlisle, PA

**Mary Hunt-Lieving**  
Senior Program Officer  
Claude Worthington  
Benedum Foundation  
Pittsburgh, PA

**Joel Johnson**  
Executive Director  
Montgomery County  
Housing Authority  
Norristown, PA

**Lamont McClure**  
Executive Director  
Carbon County Housing  
Authority  
Lehighton, PA

**Ronald Miller**  
Executive Director  
Neighborhood Housing  
Services of Greater Berks, Inc.  
Reading, PA

**Joseph Yarzebinski**  
Senior Program Director  
Rural LISC  
Pittsburgh, PA

**Nathan Yoder**  
Executive Vice President  
Susquehanna Valley  
Development Group  
Turbotville, PA

# Community Investment Department



Seated (L-R): Ann Killian, Laura Rye, John Bendel, Terrence Cronin.  
Standing (L-R): Linda Kruse, Brent Anderson, William Joseph, David Buches,  
Dorothy Pegdan, Gwynn Lind.

**John Bendel**  
Director

**Brent Anderson**  
Community Development  
Specialist

**David Buches**  
Community Investment  
Manager

**Terrence Cronin**  
Manager, Operations &  
Compliance

**William Joseph**  
Community Investment  
Consultant

**Laura Rye**  
Community Investment  
Consultant

**Ann Killian**  
Senior CID Specialist –  
AHP

**Linda Kruse**  
CID Specialist – Compliance

**Gwynn Lind**  
Senior CID Specialist –  
Operations

**Dorothy Pegdan**  
Administrator

## 2010 Affordable Housing and Products & Services Committee of the Board of Directors

**Patrick Ward, Chair**  
Chairman of the Board  
and CEO  
Penn Liberty Bank  
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**Brian Hudson, Vice Chair**  
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Finance Agency  
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Vice Chairman  
NorthMarq Capital  
Philadelphia, PA

**John Milinovich**  
EVP/Treasurer & CFO  
Washington Federal  
Savings Bank  
Washington, PA

**Robert White**  
Chairman, President & CEO  
Abington Bank  
Jenkintown, PA

# 2010 Community Investment Goals

With twenty years of AHP behind us, we can all feel good about the community investment accomplishments we've forged along with our member financial institutions and community partners. We cannot, however, rest on those laurels, especially in the current economic climate. Instead, we must redouble our efforts to find creative ways to optimize available funding for community investment in our district. With that in mind, FHLBank Pittsburgh's Community Investment Department is committed to the following goals in 2010:

- Increase the number of AHP applications submitted from Blueprint Communities
- Raise the AHP disbursement ratio
- Deploy the new AHP Online application system
- Expand member education on community investment-related topics
- Improve the job creation/retention ratio and geographic dispersion of BOB funds
- Reunite Blueprint Communities to discuss successes and additional opportunities
- Continue to educate members on letters of credit (LOCs) for taxable and tax-exempt bond transactions.



A handwritten signature in black ink that reads "John Bendel". The signature is written in a cursive style with a large, looping initial "J".

John Bendel  
Director,  
Community Investment  
FHLBank Pittsburgh





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