

Resolution No. : 96-15
Date: February 6, 1996

Approval of Set-Aside by the Federal Home Loan Bank of Seattle
Under its Affordable Housing Program

WHEREAS, section 10(j) of the Federal Home Loan Bank Act (Bank Act) requires each Federal Home Loan Bank (FHLBank) to establish an Affordable Housing Program (AHP) pursuant to regulations of the Federal Housing Finance Board (Finance Board), see 12 U.S.C. § 1430(j)(1);

WHEREAS, section 10(j)(5) of the Bank Act requires each FHLBank annually to contribute a statutorily prescribed portion of its annual net earnings to fund its AHP, see id. § 1430(j)(5);

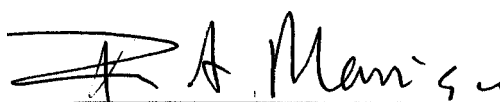
WHEREAS, section 960.5(g)(2) of the Finance Board's AHP regulation authorizes each FHLBank, subject to prior Finance Board approval, to set aside a portion of its annual required AHP contribution to implement a homeownership program that satisfies the requirements of the statutory provisions governing the AHP and that meets those goals of the National Homeownership Strategy that, in the Finance Board's determination, are consistent with the goals of the AHP, see 60 Fed. Reg. 49331 (Sept. 25, 1995) (to be codified at 12 C.F.R. § 950.5(g)(2)); and

WHEREAS, pursuant to section 960.5(g)(2) of the AHP regulation, the FHLBank of Seattle has requested Finance Board approval to set aside up to \$1 million per year of its required annual AHP contribution to fund downpayment and closing cost assistance to low- and moderate-income homebuyers, according to the terms and conditions set forth in the attached Program Description, see Attachment 1; and

WHEREAS, the FHLBank of Seattle's proposed set-aside of up to \$1 million of AHP funds per year, according to the terms and conditions set forth in the attached Program Description, will help in meeting the goal of the National Homeownership Strategy to generate up to 8 million additional homeowners by the year 2000, through: providing savings plans for homeownership; meeting Native American financing needs; providing mortgage credit in rural areas; providing homeownership opportunities for Native Americans; providing subsidies to reduce downpayments and mortgage costs; and these activities are consistent with the goal of the AHP to finance homeownership for low- and moderate-income households, see 12 U.S.C. § 1430(j)(2)(A);

NOW, THEREFORE RESOLVED, that the FHLBank of Seattle's proposed set-aside of AHP funds according to the terms and conditions set forth in the attached Program Description is hereby approved.

By the Board of Directors of the
Federal Housing Finance Board



Bruce A. Morrison, Chairman

Affordable Housing Program First-Time Homebuyer Set-Aside
Federal Home Loan Bank of Seattle

The Federal Home Loan Bank (FHLBank) of Seattle will set aside a maximum of \$1,000,000 per year of its required annual Affordable Housing Program (AHP) contribution for a program that provides funds for downpayment and closing cost assistance to first-time homebuyer households with incomes at or below 80 percent of the area median income pursuant to the requirements of 12 C.F.R. **960.5(g)(1)**, except that § 960.5(g)(1)(x) shall not apply, and the availability of funds under the set-aside shall be as follows:

- (1) The FHLBank will make AHP funds available to each member participant, upon application, to fund up to 25 households, based on the availability of funds.
- (2) If the total AHP funds requested by members is more than \$1 million, the limit on the number of households each member may serve will be reduced.
- (3) If the total AHP funds requested by members is less than \$1 million, the limit on the number of households each member may serve will be increased for those members that have demonstrated to the FHLBank that they have the capacity to serve more than 25 households.
- (4) When the FHLBank notifies a member of its approval to participate in the program, AHP funds will be allocated to the member based on the number of households that the member has been approved to fund. Each approved member will solicit a limited number of households to be enrolled in the program and will maintain a list of qualified first-time homebuyers that are enrolled, as well as a waiting list of households that meet the requirements for enrollment. The households will be enrolled when they open dedicated savings accounts and their names are submitted to the FHLBank. The maximum number of enrolled households may not exceed the member's approved household limit. If an enrolled household drops out of the program, the member will replace that household with another household from the member's own waiting list of households that meet the requirements for enrollment.