

No.: 97-33
Date: March 31, 1997

FEDERAL HOUSING FINANCE BOARD

Modification of the Federal Home Loan Bank of Pittsburgh's
Homeownership Set-Aside Program

WHEREAS, section 10(i) 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 USC. § 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 AHIP 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 (Homeownership Set-Aside 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 12 C.F.R. §960.5(g)(2);

WHEREAS, pursuant to section 960.5(g)(2) of the AHP regulation, on March 7, 1996, the Finance Board authorized the FHLBank of Pittsburgh to set-aside up to \$1 million per year of its required annual AHP contribution to fund down payment and closing cost assistance to low-and moderate-income homebuyers, see Board Resolution 96-21 (March 7, 1996);

WHEREAS, the FHLBank of Pittsburgh's approved Homeownership Set-Aside Program requires households participating in the program to demonstrate that they have systematically saved funds for a ten-month period prior to receiving matching funds from the FHLBank; and

WHEREAS, the FHLBank of Pittsburgh has requested Finance Board approval to eliminate the systematic savings requirement for the participating households and allow the FHLBank to match directly the household's savings in order to: 1) accommodate households that are ready to use their current savings or lump sums from other sources to purchase a home; and 2) reduce the administrative costs of the program for members and other organizations acting in partnership with participating members; and

NOW, THEREFORE, BE IT RESOLVED, that the Finance Board hereby approves the FHLBank of Pittsburgh's request for a modification to its Homeownership Set-Aside Program to eliminate the systematic savings requirement for the participating households and allow the FHLBank to match directly a participating household's savings.

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "Bruce A. Morrison".

Bruce A. Morrison, Chairman