



Date: September 23, 2005

For Immediate Release

Council Contact: John von Seggern

202-955-0002, ext. 11

### **Federal Home Loan Banks Support Hurricane Relief Efforts**

Washington, DC—The Council of Federal Home Loan Banks (FHLBanks) today announced that the FHLBanks will donate over \$1 million to help immediate hurricane disaster relief. This brings the total FHLBank contribution to over \$21 million in special financial assistance and long-term housing and community development programs initiated by individual FHLBanks to respond to the needs of their member institutions and displaced persons located in their districts. This amount is over and above the FHLBanks' Affordable Housing Program (AHP) commitment.

Regarding the contribution, Tim Chrisman, chairman of the FHLBank of San Francisco and chairman of the Council of FHLBanks said, "In addition to the individual initiatives undertaken by each of the FHLBanks through their respective member lenders, the Home Loan Banks are committing over \$1 million in immediate charitable aid to the relief efforts."

Since 1989, as established by Congress, the FHLBanks have operated specialized affordable housing and community investment programs—the AHP and the Community Investment Program—to provide members with access to grants and long-term, low-cost loans for targeted housing and economic development projects. Funds from both of these programs can be used for the purchase, construction or rehabilitation of very low- to moderate-income owner-occupied or rental housing.

The Federal Housing Finance Board has granted expedited regulatory relief from some AHP program requirements to support victims of Hurricane Katrina. The temporary suspension of income limits will allow vacant AHP-assisted rental units to be leased to households, regardless of income, who were displaced as a result of the storm. The Finance Board also provided other regulatory relief options to each of the FHLBanks, available upon request and through an accelerated approval process.

The FHLBank of Dallas, whose district includes the states of Louisiana, Mississippi and Texas has been the most directly involved of the System's 12 FHLBanks, has been providing alternative means of access to funds and services to support the operational needs of its member institutions.

The Dallas FHLBank has also implemented its *Disaster Relief Program*, making subsidized funds available to help individuals and families whose homes or businesses were damaged or destroyed. In addition, the Dallas FHLBank has also created a \$5 million grant program, over and above its AHP commitment, to address the housing and community investment needs of communities in Louisiana and Mississippi and for hurricane-displaced residents in other locations within the Bank's five-state district. "Our member institutions have already shown tremendous support for the devastated communities, and these grants will extend their ability to help individuals, families and small businesses disrupted by the storm," said Terry Smith, president and CEO of the FHLBank of Dallas.

The FHLBank of Cincinnati's Board of Directors has approved the establishment of a \$15 million fund over a two-year period to provide housing assistance, also over and above its current AHP commitment, to persons displaced by the hurricane into the FHLBank district of Kentucky, Ohio and Tennessee.

Charles "Bud" Koch, chairman, Charter One Bank, N.A., Cleveland, and chairman of the FHLBank Cincinnati board said, "Given the success of our affordable housing delivery system, our board determined we are uniquely qualified to make a real difference in the lives of thousands of displaced residents in critical need of permanent housing within our FHLBank district."

#

*The FHLBanks are a government-sponsored enterprise (GSE) created in 1932 to ensure affordable housing finance for all Americans. Today they also provide funding for small business, rural and agricultural loans. Over 8,000 community financial institutions around the country are members of the Federal Home Loan Bank System. The Federal Home Loan Banks are located in Atlanta, Boston, Chicago, Cincinnati, Dallas, Des Moines, Indianapolis, New York, Pittsburgh, San Francisco, Seattle and Topeka. The Council of FHLBanks is headquartered in Washington, D.C. and represents all twelve FHLBanks.*