



Federal Reserve Bank of Boston
Business Opportunities in Community Development
Lending
Mennino Place – Storrs Street Elevation



www.catchhousing.org

CATCH Neighborhood Housing, 76 South State St. Concord, NH 03301 603-225-8835



How Did we Get Here?

- Partnership with local developer, Steve Duprey
- Master Planned Site, including:
 - Rezoning of site from Urban Commercial to Central Business District
- Entered into a Development Agreement - defines and guides partners' performance



CATCH
Neighborhood Housing

Seeking a community where every person is confident of a home

Mennino Place – Quick Facts

- ❑ Lot size - 14,496 SF
- ❑ 5-story building, 42,000 SF, steel Construction
- ❑ 45 Units
- ❑ 24 1-Bedroom Units
- ❑ 21 2-Bedroom Units
- ❑ Unit Sizes:
 - ❑ 1 – Bedroom – 783 SF to 653 SF
 - ❑ 2 – Bedroom – 783 SF to 1,057 SF

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Seeking a community where every person is confident of a home

Mennino Place – Quick Facts

- ❑ Serving households at 50 and 60% of Area Median Income for Merrimack County, as dictated by financing sources
 - ❑ 9 units at 50% of AMI
 - ❑ 36 units at 60% of AMI
- ❑ Lease-up underway

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Actual Sources of Funding

- New Hampshire Housing Finance Authority
- Department of Housing and Urban Development
- Community Development Finance Authority
- City of Concord
- Merrimack County Savings Bank
- Meredith Village Savings Bank
- RBC Capital, Inc.



Challenges for Non-Profit Development

- Length of time required to permit development vis a vis funding pre-development and carrying costs in the absence of guaranteed financing sources
- Time lag between LIHTC application and award – can take up to two years
- In the case of Mennino Place, CATCH had \$200,000 at risk, and had entered into a P & S for the property

POLICIES AND PRIORITIES

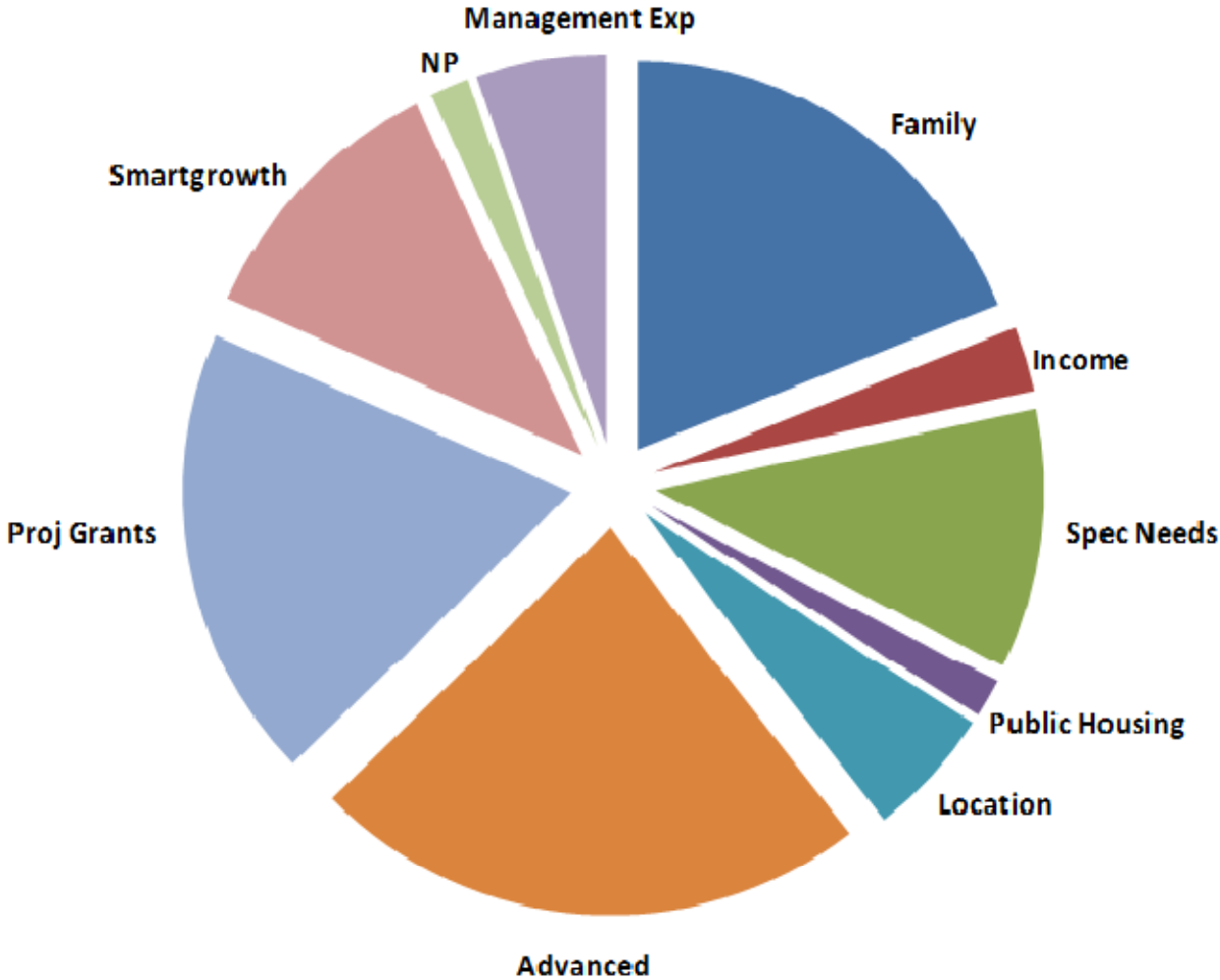
Smart Growth

- *Existing downtown*
- *Substantially developed area*
- *Neighborhood infill*

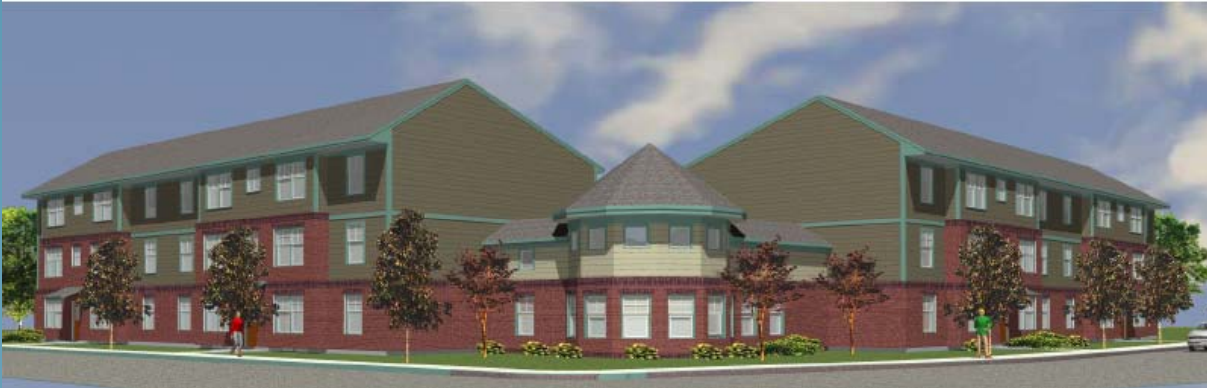
Designated community development strategies

- *Enterprise zones*
- *Main Street Programs*
- *Historic districts*
- *Targeted areas*

2013 QAP Scoring

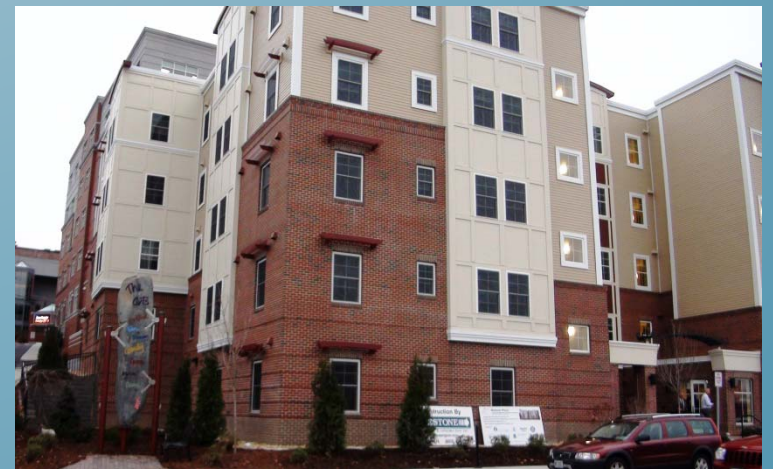
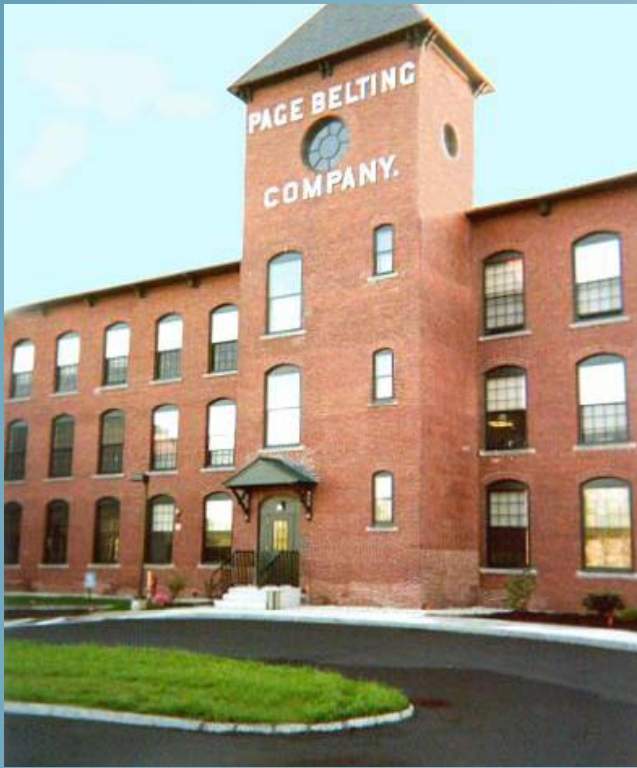


CITYSIDE

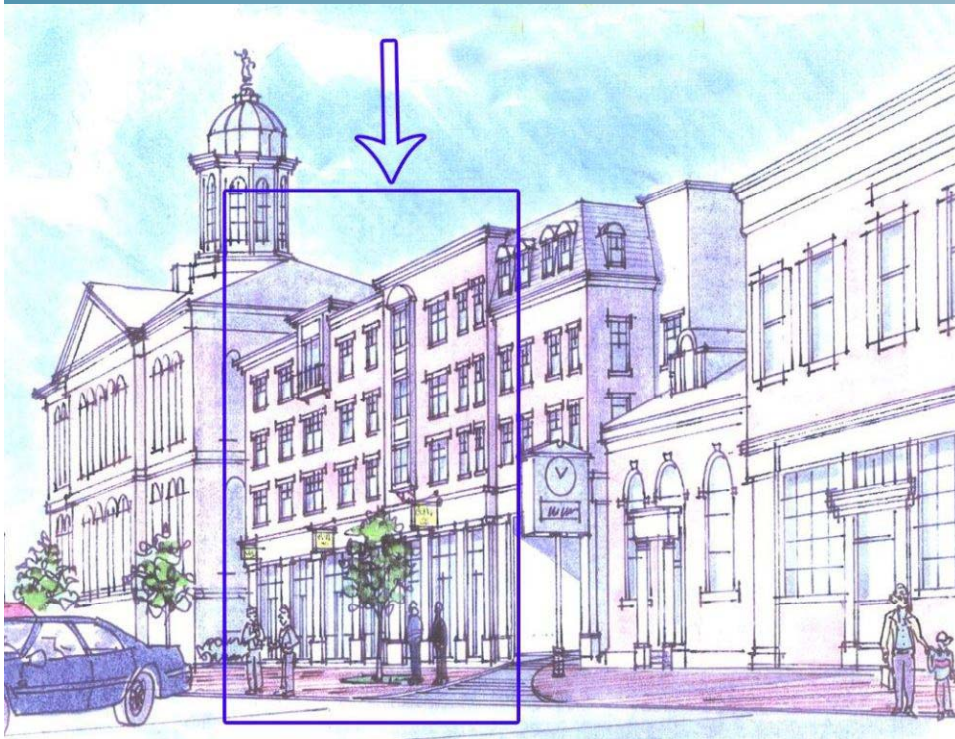


RAILROAD SQUARE

PAGE BELTING



MENNINO PLACE



SQUAMSCOTT BLOCK

JAFFREY MILL





Business Opportunities in Community Development Lending

Manufactured Housing



Land-leased MH communities Structural issues

- **Raising rents and stripping equity**
- **Dislocation – park closure**
- **Health and safety**
- **Cycle of depreciating values**



Idea – resident ownership

- **Incorporate**
- **Acquisition financing**
- **Technical assistance = risk management**



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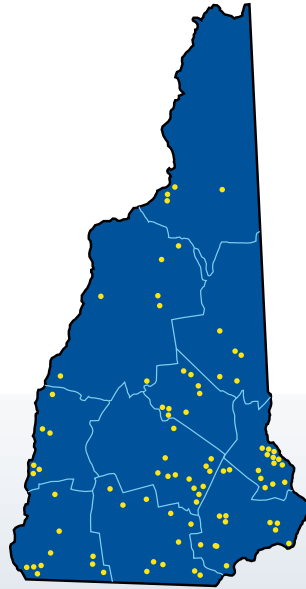
Result – sustainable communities

- **Land security**
- **Quality of infrastructure**
- **Fair single-family financing**
- **Energy efficiencies/green**
- **Neighborhood of investment/aligned interests**
- **Appreciating home valuations**

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- **100 resident-owned communities – 0 failures**
- **20% market share**
- **5,700+ homeowners (75% low income)**
- **Leadership training**
- **ROC USA takes strategy to national scale (2008)**



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Business opportunities

- **Acquisition, refinance, capital improvements**
 - Community Loan Fund = \$66 million
 - Banks and others = \$95 million
- **Single-family mortgage**
 - Fannie Mae
 - USDA 502 Guarantee
 - Portfolio Sales

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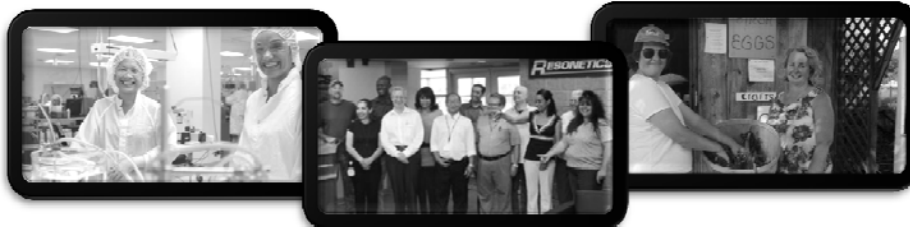
Community Development Block Grants - CDBG

Purpose: Develop viable communities by financing affordable housing, safe living environments and jobs for low- and moderate-income people.

Structure: Grants to municipalities, sub-granted to nonprofits.

For housing and community infrastructure: grants.

For job creation/retention: loans to business



Community Development Tax Credits

- **Purpose:** Stimulate private investment in development projects that spur economic activity, job creation and/or improve and expand affordable housing opportunities.
- **Structure:** 75% NH Business Tax Credit to donors. Proceeds go into project as grant. (Occasional for-profit sponsored projects get loans.)



Menino Place



45 affordable apartments for Concord

Total budget close to \$9.0 million

\$450,000 CDBG grant to City, sub-granted to CATCH for acquisition of the property

Strong partner – CATCH has excellent track record

Leverage, leverage, leverage

Contribution to downtown revitalization & creative economy initiative

Growing the South End of Main Street



- Tax credits to rehabilitate and revive historic theater
- CDBG loan to expand market and create jobs



Tax Credits to support an independent theater, used clothing and furniture boutique and relocation of the gallery.



CDFA tools: CDBG grants for affordable housing and loans to create/retain jobs; NH business tax credits stimulate private investment – grants to projects.

Contact Info:
Kathy Bogle Shields, Executive Director
kshields@nhcdfa.org

Building The Better Bank



Business Opportunities in Community Development Lending

30 March 2012



Performance Context and Lending, Investment and Service Tests



- **Performance Context:** Performance context is the framework within which regulators evaluate a bank's CRA performance. This context is primarily derived from demographic data on area median income levels, distribution of household income, type of housing stock, housing costs, and numbers of small businesses.
- **Lending Test:** The Lending Test is an analysis and evaluation of the bank's lending activities, with respect to home mortgage loans, small business loans, small farm loans, and community development lending. The lending test carries the most weight in an exam – 50%.
- **Investment Test:** The Investment Test considers the number and dollar amount of CRA-qualified investments and charitable grants.
- **Service Test:** The Service Test examines the availability and effectiveness of a bank's branch network, service delivery systems and community development services.

Key Definitions



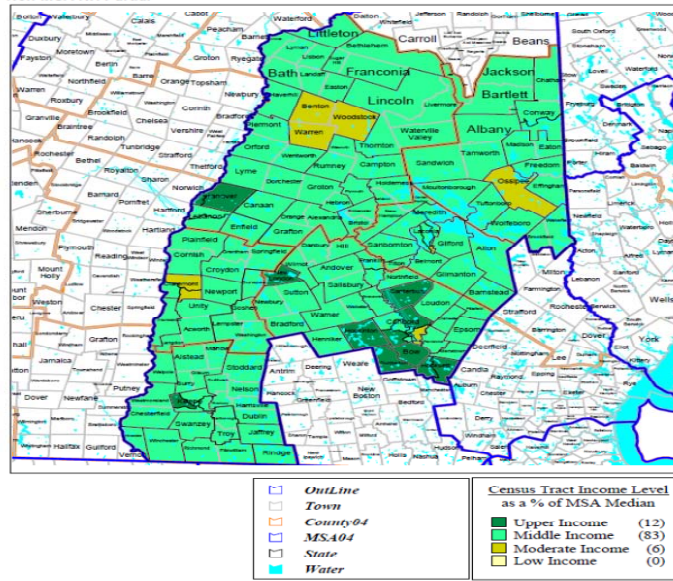
- “Community Development” means –
 - Affordable housing (including multi-family rental housing) for low- or moderate-income individuals/families;
 - Community services targeted to low- or moderate-income individuals/families;
 - Activities that promote economic development by financing programs that serve small businesses or farms with gross annual revenues of \$1 million or less;
 - Activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or designated distressed or underserved rural areas;
 - Loans, investments and services that support eligible development activities in areas designated under the Neighborhood Stabilization Program (NSP) if conducted within two years after the date when NSP funds must be spent.
- “Low-income” means individual or median family income that is less than 50 percent of the area median income.
- “Moderate-income” means individual or median family income that is at least 50 percent and less than 80 percent of the area median income.

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NH Assessment Area Example (1 of 3)



Non-MSA NH Partial



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Community Development Lending



- To qualify as a Community Development Loan, the *primary* purpose of the loan must meet the definition of community development as outlined in the regulation AND the loan location must be within the bank's defined CRA assessment area or benefit a broader statewide/regional area that includes the bank's assessment area.
- "Community Development" means –
 - **Affordable housing (including multi-family rental housing) for low- or moderate-income individuals/families;**
 - Community services targeted to low- or moderate-income individuals/families;
 - Activities that promote economic development by financing programs that serve small businesses or farms with gross annual revenues of \$1 million or less;
 - **Activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or designated distressed or underserved rural areas;**
 - **Loans, investments and services that support eligible development activities in areas designated under the Neighborhood Stabilization Program (NSP) if conducted within two years after the date when NSP funds must be spent.**

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Examples of Community Development Loans



- Loans for affordable housing rehabilitation and construction, including construction and permanent financing of multi-family rental property serving low- and moderate-income persons;
- Loans to not-for-profit organizations serving *primarily* low- and moderate-income with housing or other community development needs (e.g. childcare, health care, education);
- Loans for construction or rehabilitation of community facilities that are located in low- or moderate-income areas or that serve *primarily* low- and moderate-income individuals/families;
- Loans to Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), minority- or women-owned financial institutions, community loan funds or pools and low-income or community development credit unions that primarily lend or facilitate lending to low- and moderate-income individuals;
- Loans to local, state or tribal governments for community development activities;
- Loans for environmental clean-up or development of an industrial site as part of an effort to revitalize the low- or moderate-income community in which the property is located; or
- Loans to projects that are eligible for low-income housing tax credits.

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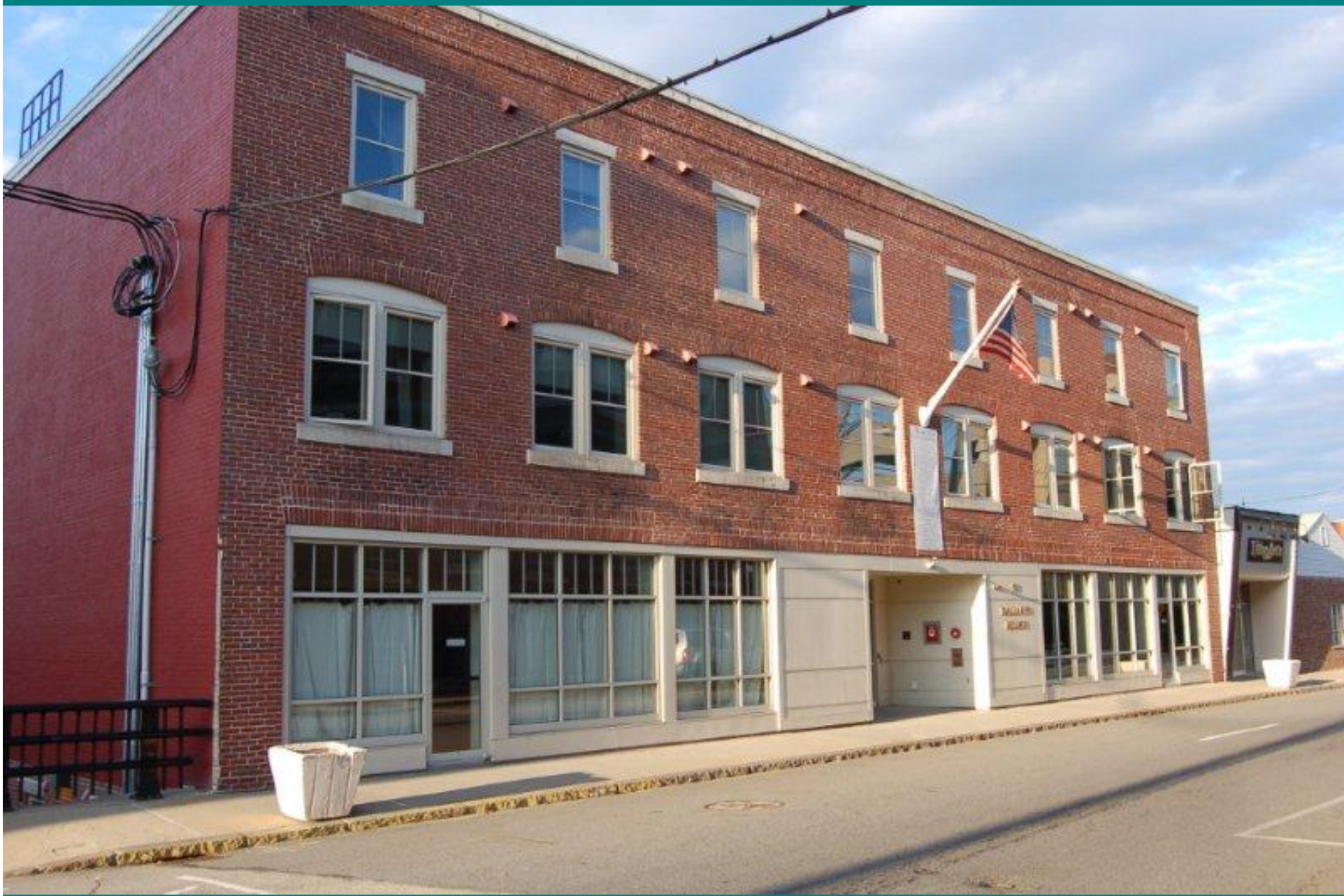
Examples of Community Development Investments for Housing



- Purchase of state or municipal obligations that specifically support community development (housing-related municipal bonds must primarily address affordable housing, including multi-family rental housing, in order to qualify);
 - Investment in financial intermediaries (including CDFIs, CDCs, minority- or women-owned financial institutions, and low-income or community development credit unions) that primarily lend or facilitate lending in low- or moderate-income areas or to low- or moderate-income individuals;
 - Low-income housing tax credits;
 - Grants to not-for-profit organizations serving affordable housing or other community development needs, such as homebuyer counseling, credit counseling, or other financial services education;
- or
- Grants to not-for-profit organizations in support of programs or services that are targeted to low- and moderate-income individuals and families.









KEYSTONE HALL

Hope & Healing To Families In Need

Greater Nashua Council on Alcoholism, Inc.

A member of the



Partnership For Successful Living



HIV/AIDS TASK FORCE
Support, Advocacy, Prevention, and Education

Welcoming Light

KEYSTONE HALL

Greater Nashua Council On Alcoholism (Owner)

George Hickey - Architect - Sanbornton, NH

Gary Chicoine Construction Corp.

Funded by:

Merrimack County Savings Bank

NH Community Loan Fund

New Hampshire Housing Finance Authority



New

www



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PHOTOS BY JOEL

Description of Selected Site: 335 Somerville Street, Manchester, NH



LOOKING SOUTHEAST

SOMERVILLE STREET VETERANS HOUSING
TWENTY-BOX LIVING UNITS
335 SOMERVILLE STREET, MANCHESTER, NH
HARBOR HOMES, INC.
40 HIGH STREET, NASHUA, NH

GEORGE HICKEY - ARCHITECT
5 & B HUNTING FORDS ROAD
SARASOTON, NH 08269
603.824.0152

SCALE: 1/8"=1'-0"
03-19-05

SMILE !

11/09/2011



SMILE!

11/09/2011



10/28/2011



Mennino Place

A CATCH Neighborhood Housing Community
76 South State Street, Concord, NH 03301



Designed By: Warrenstreet Architects, Inc.

Constructed By: Milestone Engineering & Construction, Inc.

Engineering: Nobis Engineering, Inc.

Legal Counsel Provided By: Nixon Peabody, LLP

Funded By:



New Hampshire Housing
Bringing You Home
www.nhhhs.org



NeighborWorks®
AMERICA



MEREDITH
VILLAGE SAVINGS BANK



Digital Markets®

CDFA
New Hampshire
Community
Development
Finance Authority

Creating a Better Future for Every Person Who Calls Home

NeighborWorks
COLLECTED MEMBER

10/21/2011



11/03/2011





Natural Foods Grocery and Cafe

24
South Main

Everyone
Welcome
Hours
Mon-Sat 8am-8pm
Sun 10am-6pm

11/09/2011



Construction By
MILESTONE III
PROJECT #123, 456 MAIN ST., 12345
www.milestoneiii.com
Concord, N.H. (603) 226-3877

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03/27/2012





www.crdc-nh.com

Economic Development Solutions for Small Businesses and Municipalities 2012 FACT SHEET

BACKGROUND

The Capital Regional Development Council is a non-profit development corporation that provides a variety of economic development services to businesses and local governments throughout New Hampshire. The Capital Regional Development Council is a mission driven non-profit focused on offering programs that result in private sector job creation and local property tax base enhancement.

SMALL BUSINESS LENDING

SBA 504 Lending

The Capital Regional Development Council is certified by the Small Business Administration to provide 504 loans throughout New Hampshire. This popular program offers long-term, fixed rate financing for up to 40% of approved project needs. The borrower's bank provides a 50% first mortgage leaving the borrower with a nominal 10% equity injection.

Maximum Loan Amount:	\$5.5 million
Maximum SBA Participation:	40 percent of eligible costs
Eligible Uses:	Purchase of land/existing building New building construction/renovations Machinery/equipment purchase with a 10-year useful life Refinance of existing real estate debt
Eligible Business:	For profit businesses Tangible net worth not to exceed \$15.0 MM 2-year average net income cannot exceed \$5.0 MM Real estate financed must be 51% owner occupied or 80 percent with new construction Majority ownership US citizens or permanent residents

Direct Term Loans

The Capital Regional Development Council also offers a variety of direct loan programs designed to assist growing N.H. companies.

Loan Amounts:	\$10,000-\$150,000
CRDC Participation:	Up to 90 percent of eligible costs
Eligible Uses:	Purchase of land, building, machinery & equipment, improvements, working capital and debt consolidation
Eligible Borrower:	For profit businesses
Eligible Territory:	Businesses located in Merrimack, Hillsborough & Sullivan Counties



BROWNFIELDS REVOLVING LOAN FUNDS & GRANTS 2012

In 2011, the Capital Regional Development Council was awarded a \$1.0 million grant from the US Environmental Protection Agency to capitalize a Brownfields Revolving Loan Fund (RLF). CRDC is providing loans and sub-grants to businesses, non-profits and municipalities located throughout MERRIMACK AND HILLSBOROUGH COUNTIES to support clean-up activities of environmentally damaged (hazardous materials) sites that are suitable for redevelopment. Sites contaminated with petroleum based materials are not eligible. All sites must be pre-approved by the US EPA prior to participation

LOANS

Maximum Loan Amount: \$200,000 (CRDC will consider larger requests when appropriate)

Matching Requirement: Site assessment & remediation planning costs

Eligible Borrowers: Private property owners, developers & businesses
Political subdivisions, not for profit corporations

Eligible Use of Loan Funds: Work associated with site clean-up including: installation of security controls; drainage controls; capping of contaminated soils; using materials to retard the spread of contaminants; excavation, consolidation or removal of contaminated soils; removal of drums, barrel, tanks or other bulk containers.

Minimum Standards: The site must have a completed Phase Two environmental assessment report that characterizes the type of contamination, the location and extent of the contamination, a proposed remediation strategy and budget. The funding of the assessment is not an eligible use of RLF funds. CRDC will be flexible when structuring loan terms to accommodate bringing the project to sustainability.

Selection Criteria: The RLF is designed to maximize the redevelopment potential of a contaminated site. The impact of the proposed project on the following will be evaluated to award loans and grants:

- a) Number of new jobs and proposed businesses on the site.
- b) Proposed capital investment and property tax base increase.
- c) Size of site & size of proposed new buildings.
- d) Impact on neighborhood and project timing.

SUB-GRANTS

- Maximum Grant Amount:** \$200,000
- Matching Requirement:** Site assessment & remediation planning costs
- Eligible sub-grantees:** Political subdivisions (cities, towns & counties)
Not for profit corporations
- Eligible Use of Loan Funds:** Work associated with site clean-up including: installation of security controls; drainage controls; capping of contaminated soils; using materials to retard the spread of contaminants; excavation, consolidation or removal of contaminated soils; removal of drums, barrel, tanks or other bulk containers.
- Minimum Standards:** The site must have a completed Phase Two environmental assessment report that characterizes the type of contamination, the location and extent of the contamination, a proposed remediation strategy and budget. The funding of the assessment is not an eligible use of RLF funds.
- Selection Criteria:** The RLF is designed to maximize the redevelopment potential of a contaminated site. The impact of the proposed project on the following will be evaluated to award loans and grants:
- a) Number of new jobs and proposed businesses on the site
 - b) Proposed capital investment and property tax base increase
 - c) Size of site & size of proposed new buildings
 - d) Impact on neighborhood and project timing
 - e) The redevelopment conforms to adopted community redevelopment or economic development strategies
 - f) Strong community-wide support for proposed redevelopment project
 - g) Transferability of remediation & redevelopment strategy to other sites

For additional information, please contact:
Stephen Heavener, Executive Director
603/369-6000, sheavener@crdc-nh.com



BDC CAPITAL COLLABORATION: CRDC has partnered with BDC Capital, a Massachusetts based private company that provides financing and investment capital to growing companies throughout New England. BDC Capital generally provides between \$500,000 and \$3.0 million through a variety of programs that include term loans, working capital lines of credit (asset based lending), mezzanine capital and SBA lending. The collaboration is designed to provide additional non-traditional financial resources, in some cases, at a higher level of financial participation than CRDC can offer to New Hampshire businesses.

REAL ESTATE DEVELOPMENT: CRDC works closely with cities, towns, private developers and businesses on strategic real estate development projects. Projects include building construction, redevelopment, and business park development. CRDC is flexible in the type of assistance provided including purchasing buildings for lease to growing businesses.

ECONOMIC DEVELOPMENT CONSULTING: The Capital Regional Development Council provides fee-based services that assist New Hampshire's cities and towns establish or strengthen programs that result in the creation/ retention of quality jobs and enhance the commercial/industrial property tax base.

Forms of Assistance Include:

Economic Development Strategic Planning	Grant Writing
Local Economic Development Committee Support	Feasibility & Site Analysis
Business Visitations & Business Retention Strategies	Tax Increment Financing (TIF) Plans
Business Recruitment and Marketing Plans	CDFA CDIP Tax Credit Project Applications
CDFA Community Development Block Grant Applications	

GRANTS: CRDC works closely with the New Hampshire Community Development Finance Authority, CDFA, to identify and prepare funding applications, and administer projects that are suitable for Community Development Block Grant (CDBG) and Community Development Investment Program (CDIP) financial assistance. These are competitive, project specific programs that provide loan funds to job creating development projects. When successful, CRDC secures a grant from the appropriate program, loans the funds to the project/company and capitalizes or recapitalizes a small business loan fund with the loan repayment. Additionally, CDBG can finance municipal infrastructure in support of business investment.

NEW MARKET TAX CREDITS: CRDC has partnered with Coastal Enterprises, Inc. (CEI) of Portland, Maine to package New Market Tax Credit (NMTC) projects. The NMTC program was established by the US Treasury to attract capital to historically underserved projects and communities. It provides an incentive to debt and equity investors in the form of a 39 percent federal income tax credit over a seven year period for investing capital into qualified projects in eligible targeted areas. CRDC has been selected by CEI as its sole New Hampshire partner to identify and structure suitable projects.

Stephen Heavener, Executive Director at 603/369-6000, sheavener@crdc-nh.com

Liz Sweeney, Senior Loan Officer at 603/369-6146, esweeney@crdc-nh.com

Jennifer Boulanger, Loan Officer, 603/369-6147, jboulanger@crdc-nh.com

Manufacturer Relocation/Expansion

- Existing business is purchased but must be relocated
- Buy existing 15,000 sq.ft. building and add 18,300 sq.ft.

Sources

Bank	\$1,026,000
SBA 504	718,200
Owner Equity	<u>307,800</u>
	\$2,052,000

Uses

Purchase existing Building	\$325,000
Addition	946,500
Electrical/Mechanical	330,000
Renovation	<u>450,000</u>
	\$2,052,000

PROBLEM: Completed building appraised value of \$1,400,000!

Revised Sources and Uses

Sources

Bank	\$1,026,000
SBA 504	718,200
City RLF	70,000
Local Dev. Corp.	250,000
BFA – SSBCI Collateral Shortfall	250,000
Owner Equity	<u>292,000</u>
	\$2,052,000

Uses

Purchase existing Bldg	\$352,000
Addition	946,500
Electrical/Mechanical	330,000
Renovation	<u>450,000</u>
	\$2,052,000

- 50 jobs saved
- Manufacturer relocated to new, more efficient facility

Business Opportunities in Community Development Lending

Putting the Pieces Together:

How the FHLB Boston Can Help

March 30, 2012
Kenneth A. Willis
First Vice President

Today's Topics

- Introduction to FHLB Boston
- Issues Related to Lending
- Community Lending Opportunities & Challenges
- Value and benefits of Community Investment Programs that facilitate business opportunities
- FHLB Boston and partners produce real results

FHLB Boston

- A cooperatively-owned, wholesale bank
- Served shareholders since 1932; 463 members
- Over \$50 billion in assets (12/31/2011)
- Provide reliable funding and liquidity products and services that facilitate housing and economic growth
- Administer Housing and Community Investment Programs
- Over 20 years of working with members and housing developers

Membership Profile

463 Members: 212 thrifts, 154 credit unions, 70 commercial banks, 27 insurance companies



Massachusetts
239 members
Advances: \$9.4B
Capital Stock: \$1.1B



New Hampshire
34 members
Advances: \$1.1B
Capital Stock: \$104M



Connecticut
78 members
Advances: \$4.0B
Capital Stock: \$493M



Vermont
29 members
Advances: \$0.4 billion
Capital Stock: \$58M



Maine
61 members
Advances: \$2.1B
Capital Stock: \$183M



Rhode Island
22 members
Advances: \$6.9B
Capital Stock: \$1.7B

As of 12/31/11 3

Challenges to Residential Lending

- Declining property values and foreclosures heighten difficulty in refinancing
- Weakened consumer confidence, combined with real-estate market and unemployment uncertainty, has led to philosophical and cultural changes around renting versus purchasing a home
- Uncertainty extends to the secondary market (GSE Reform)

Challenges to Small Business Lending

- Banks are flushed with deposits, and contrary to media reports, are lending to those with good credit
- Businesses hesitant to borrow or expand during this time of economic uncertainty
- Small businesses unable to tap family, friends, credit cards, or home equity for funding needed to enhance bankability to secure lending
- Municipalities concerned with improving small business access to credit and increasing collaboration between public and private enterprises

Community Lending Opportunities

- New business relationships
- New business expertise, gain new markets
- Maintain competitiveness in changing marketplace
- New business and loan growth
- Partner and catalyst creating new community assets, community impact
- Reach underserved markets
- Community Reinvestment Act
- Public relations

Community Lending Challenges

- Lending or investing in nonprofits in this economy
- May not fully understand line of business
- Longer development timeline
- Complexity of other funders and regulations
- Public review; NIMBY
- Environmental concerns
- Limited cash flows
- Lower appraised values due to other use restrictions
- Harder to liquidate the asset

Housing & Economic Growth

- Housing and Community Investment Programs:
 - Affordable Housing Program (AHP)
 - Equity Builder Program (EBP)
 - Community Development Advance (CDA and CDA Extra)



AHP Overview

- Funded through 10% of the Bank's annual net earnings
- Provides grants and subsidized loans for affordable housing production and preservation that serves very low-, low-, and moderate-income families
- Supports all rental and homeownership housing models
- Members underwrite and submit applications with developers
- Competitive funding round, over \$13.7 million subsidy in 2012
- Income eligibility/restrictions and reporting

AHP Overview

- Direct Subsidy (grant) can be used as capital or equity
- Subsidized Advance is a reduced interest rate loan made to the member to reduce the interest rate on the project's permanent debt
- Can combine both in one project and be used for:
 - Acquisition, hard and soft construction costs, and rehabilitation
 - Down-payment and closing-cost assistance, interest rate buy-down, developer fee, and certain home-buying counseling costs for AHP units

AHP Direct Subsidy

- A grant for housing development
- Secured by member using subordinate FHLB Boston mortgage and note
- 15-year term for rental housing/regulatory compliance
- 5-year term for ownership housing/reg. compliance
- Typically used and disbursed during development/construction

AHP Subsidized Advance

- Member borrows at AHP-discounted rate
- Supports permanent lending of the same term and amortization at a lower rate
- Member earns the credit spread they require
- The loan is in first position
- Uses standard mortgage documents with the AHP rider
- Minimum 10-year term, up to 20 year term, 30 year amortization
- Forward-rate commitments are available
- 15-year AHP regulatory compliance for rental



**Berkshire Veterans Residence
Pittsfield, Massachusetts**

**Legacy Banks
United Veterans of America, Inc.**

**70 apartments with supportive services for
Homeless veterans
\$274,000 AHP Direct Subsidy
\$274,000 AHP Subsidized Advance using
\$101,718 interest-rate subsidy**





**Sandywoods Farms
Tiverton, Rhode Island**

**BankNewport
Church Community Housing**

Fifty units of affordable housing plus library, art gallery, community center, and recreational preserve.
\$400,000 Direct Subsidy
\$2.6 million Subsidized Advance using
\$393,391 interest-rate subsidy



**Olde School Commons
Bridgeport, Connecticut**

**Webster Bank, N.A.
United Cerebral Palsy Association of
Southern Connecticut**



24 affordable apartments serving people with disabilities and low-income individuals.
\$240,000 AHP Direct subsidy
\$510 AHP Subsidized Advance using
\$253,934 interest-rate subsidy

EBP: Grants for Homeownership

- Individual grants up to \$10,000 for the purchase of a home facilitated through members,
- A separate set-aside of the Bank's Affordable Housing Program -- \$2.4 million available in 2012
- Builds off members' existing residential mortgage products, helps to expand residential lending
- Three keys to the program:
 - Member's mortgage product with concession(s);
 - Income eligibility (80% AMI); and
 - Homeownership counseling

EBP Benefits

- Assists home buyers that qualify for a mortgage, but lack funds for down payment and/or closing costs
- Supports members' existing mortgage program
- Can be used in conjunction with other subsidy and down-payment assistance programs
- List of participating members can be found on FHLBBoston.com

CDA Program

The CDA Program has two options to provide financing for predevelopment, purchase, construction, rehabilitation, or refinance: CDA and CDA Extra

- Housing (residential)
- Economic Development (nonresidential)
- Mixed Use (combination of residential & nonresidential)
- Eligibility based on geographic and targeted beneficiaries of the funds

Program Benefits

Benefits :

- Bank's lowest cost advances
- Expand community development lending
- Meet the credit needs of communities
- Easy to find qualifying loans

Allows you to:

- Compete on term
- Lock in spread and term
- Mitigate interest rate risk
- Provide lower cost of funding to community
- CRA benefits

Rates

- CDA is a discounted advance
- CDA Extra is a deeper discounted advance
- Available as Classic (bullet), amortizing, and member option advances
- CDA/CDA Extra available in terms from one year to 20 year maturity/30 year amortization

Long-Term		Short-Term	Amortizing	Advance Specials
Long-Term Classic Advance Rates				
Effective 09:49 AM				
March 27, 2012				
Term	Reg.	CDA	CDA Extra	NEF
1yr	0.45	0.36	0.32	0.43
2yr	0.77	0.56	0.51	0.75
3yr	1.04	0.82	0.76	1.02
5yr	1.66	1.45	1.37	1.64
7yr	2.33	2.11	2.01	2.31
10yr	3.07	2.85	2.72	3.05
15yr	3.94	3.75	3.58	3.92
20yr	4.25	4.11	3.89	4.23

For Current Rates: <http://www.fhlbboston.com/rates/advances/index.jsp>

CDA for Housing

Member:	Bank of America
Eligibility:	51% of units occupied by families with incomes at or below 115% AMI
CDA Funds:	\$647,000
Location:	Dorchester, MA



Refinance of a four-story building that will provide 27 affordable housing rental units. All units will be targeted to households earning at or below 80 percent of the area median income.

CDA for Economic Development

- Member:** Passumpsic Bank
- Eligibility:** Small Business Initiatives
- CDA Funds:** \$6,000,000
- Location:** New Hampshire/Vermont



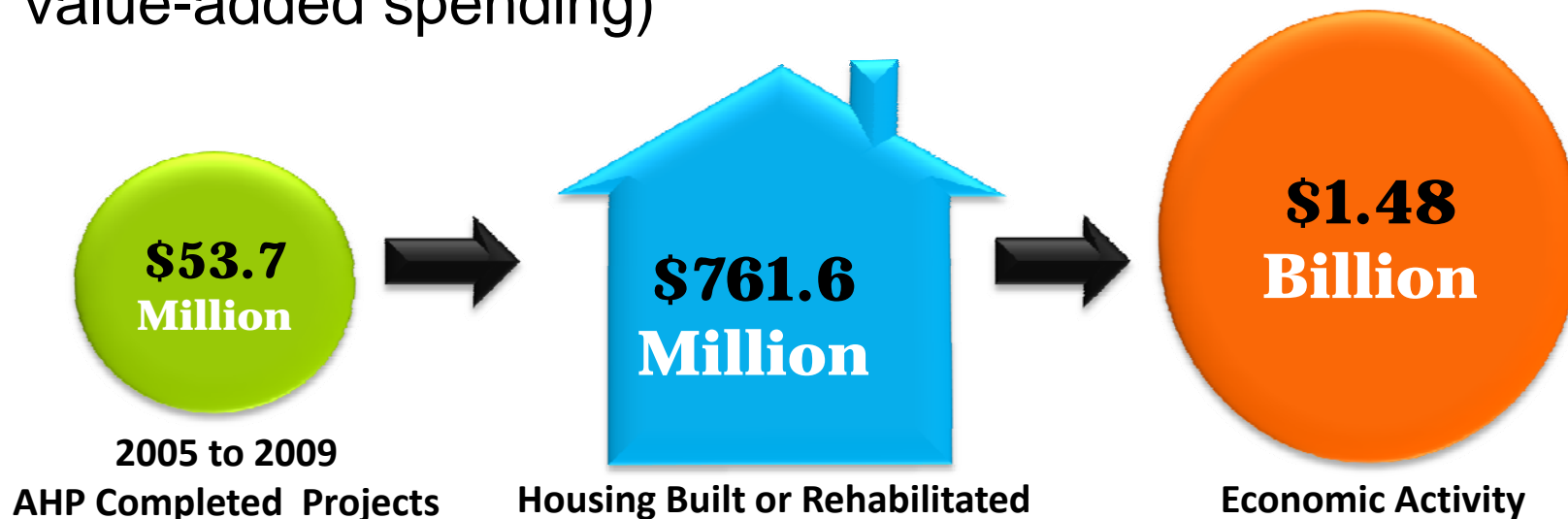
Financing to support small business initiatives located through out Vermont and New Hampshire, including Lyndon Rescue in Lyndon, Vermont. Lyndon Rescue is an ambulance service with 35 employees providing medical transportation across a 560-square-mile area of northeastern Vermont. 22

Double-bottom line

- FHLB partnership model encourages public/private collaboration to expand community lending—provides capital for difficult to finance transactions
- Members receive a financial return on their investment and meet the credit needs in their communities
- Communities receive a sustainable asset that meets the needs of its residents and stabilizes neighborhoods; creates local jobs
- Investments in the community have an economic ripple affect that benefits everyone; the process can be replicated

AHP Plays Important Catalytic Role Creating Affordable Housing and Boosting Economy

- For every \$1 million of AHP funding, \$14.2 million of housing is built or rehabilitated
- Each \$1 million of AHP funding contributes to generating \$27.6 million total output (including ripple effect of job creation and value-added spending)



Affordable Housing Programs

\$Millions	CT	MA	ME	NH	RI	VT	Total
Community Development Advances							
\$ Disbursed	\$1,853.3	\$6,903.7	\$1,013.5	\$684.8	\$351.3	\$617.4	\$11,424.0
Small Business Funding	\$473.0	\$1,316.5	\$561.8	\$192.1	\$78.3	\$287.0	\$2,908.7
Total CDA Housing Units	10,511	51,158	7,555	7,831	2,764	4,576	84,395
Affordable Housing Program							
Direct Subsidy/Grant	\$22.4	\$77.4	\$24.9	\$13.1	\$9.3	\$10.9	\$158.0
Subsidized Advances	\$25.8	\$88.9	\$10.5	\$13.3	\$19.1	\$20.8	\$178.4
Total AHP Subsidy	\$28.6	\$93.6	\$27.8	\$16.2	\$13.8	\$15.6	\$195.6
Total AHP Units	3,147	13,250	2,576	1,435	1,154	1,584	23,146
Equity Builder Program							
\$ Disbursed	\$1.6	\$7.0	\$2.1	\$1.2	\$0.9	\$2.9	\$15.7
Total EBP Units	159	737	203	91	72	258	1,520
Total Housing Units	13,817	65,145	10,334	9,357	3,990	6,418	109,061

Where to Get More Information

HCI Department Contacts

Ken Willis, FVP/Director	617-292-9631	
Mary Ellen Jutras, AVP/Deputy Director	617-292-9607	
Theo Noell, Manager of Programs & Outreach	617-292-9668	(Fairfield, Hartford, Litchfield, & New Haven County CT)

Community Investment Managers

Tobi Goldberg	617-292-9653	(ME & Essex County MA)
Kathy Naczas	617-292-9646	(NH; VT; Berkshire, Franklin, Hampden, Hampshire, & Worcester County MA)
Christine Rogers	617-292-9677	(RI; Tolland, New London, & Middlesex County CT; Barnstable, Bristol, Dukes, Middlesex, Nantucket, Norfolk, Plymouth, & Suffolk County MA)
Paulette Vass, CDA Manager	617-292-9792	

www.fhlbboston.com 1-800-424-3863 (toll free)