§ 944.3  
FEDERAL REGISTER of the notice required by paragraph (b)(1)(ii) of this section, a Bank shall provide written notice to:

(i) Each member within its district that is named in the FEDERAL REGISTER notice, that the member is required to submit a community support statement to the Finance Board by the deadline stated in the FEDERAL REGISTER notice; and

(ii) Its Advisory Council and non-profit housing developers, community groups, and other interested parties in its district of the name and address of each member within its district that is required to submit a community support statement during the calendar quarter.

(c) Required documents. Each member selected for community support review shall submit a completed Community Support Statement Form executed by an appropriate senior officer to the Finance Board and any other information the Finance Board may require to determine whether a member meets the community support standards.

(d) Public comments. In reviewing a member for compliance with the community support requirement, the Finance Board shall take into consideration any public comments it has received concerning the member.


§ 944.3 Community support standards.

(a) In general. In reviewing a community support statement, the Finance Board shall take into account a member’s performance under the CRA if the member is subject to the requirements of the CRA, and the member’s record of lending to first-time homebuyers.

(b) CRA standard—(1) Adequate performance. A member that is subject to the requirements of the CRA shall be deemed to meet the CRA standard if the rating in the member’s most recent CRA evaluation is “outstanding.” In determining whether other members meet the first-time homebuyer standard, the Finance Board shall consider a member’s description of its efforts to assist first-time or potential first-time homebuyers. A member shall be deemed to meet the first-time homebuyer standard if the member otherwise demonstrates to the satisfaction of the Finance Board that it:

(i) Has an established record of lending to first-time homebuyers;

(ii) Has a program whereby it actively seeks to lend or support lending to first-time homebuyers, including, but not limited to, the following:

(A) Providing special credit products with flexible underwriting standards for first-time homebuyers;

(B) Participating in federal, state, or local government, or nationwide homeowner lending programs that benefit, serve, or are targeted to, first-time homebuyers;

(C) Participating in loan consortia for first-time homebuyer loans or loans that serve predominantly low- or moderate-income borrowers;
(iii) Has a program whereby it actively seeks to assist or support organizations that assist potential first-time homebuyers to qualify for mortgage loans, including, but not limited to, the following:

(A) Providing, participating in, or supporting special counseling programs or other homeownership education activities that benefit, serve, or are targeted to, first-time homebuyers;

(B) Providing or participating in marketing plans and related outreach programs targeted to first-time homebuyers;

(C) Providing technical assistance of financial support to organizations that assist first-time homebuyers;

(D) Participating with or financially supporting community or nonprofit groups that assist first-time homebuyers;

(E) Holding investments or making loans that support first-time homebuyer programs;

(F) Holding mortgage-backed securities that may include a pool of loans to low- and moderate-income homebuyers;

(G) Participating or investing in service organizations that assist credit unions in providing mortgages;

(H) Participating in Bank targeted community lending programs; or

(iv) Has any combination of the elements described in paragraphs (c)(1)(i), (ii), or (iii) of this section.

(2) Probationary performance. If the evidence of first-time homebuyer performance is deemed to be unsatisfactory by the Finance Board, the member shall be subject to a one-year probationary period. The member will be eligible to receive long-term advances during the probationary period. If the member does not demonstrate compliance with the first-time homebuyer standard before the probationary period ends, the Finance Board shall restrict the member’s access to long-term advances in accordance with §944.5.

(3) Inadequate performance. A member’s access to long-term advances shall be restricted in accordance with §944.5 if the member provides no evidence of first-time homebuyer performance.

§944.4 Decision on community support statements.

(a) Action on community support statements. The Finance Board shall act on each community support statement in accordance with the requirements of §944.3 within 75 calendar days of the date the Finance Board deems the community support statement to be complete. The Finance Board shall deem a community support statement complete when it has obtained all of the information required by this part and any other information it deems necessary to process the community support statement. If the Finance Board determines during the review process that additional information is necessary to process the community support statement, the Finance Board may deem the community support statement incomplete and stop the 75-day time period by providing written notice to the member. When the Finance Board receives the additional information, it shall again deem the community support statement complete and resume the 75-day time period to act on a community support statement if the Finance Board receives the additional information on or after the seventeenth day of the 75-day time period.

(b) Decision on community support statements. The Finance Board shall provide written notice to the member and the member’s Bank of its determination regarding the community support statement submitted by the member. The notice shall identify the reasons for the Finance Board’s determination.