(b) **Decision on community support statements.** FHFA will 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 will identify the reasons for FHFA’s determination.

§ 1290.5 **Restrictions on access to long-term advances.**

(a) **Requirement.** FHFA will restrict a member’s access to long-term advances if the member:

(1) Failed to comply with the requirements of this part;

(2) Submitted a community support statement that was not approved by FHFA;

(3) Did not receive a rating in a CRA evaluation of “outstanding” or “satisfactory” at the end of the probationary period described in §1290.3(b)(2); or

(4) Failed to provide evidence satisfactory to FHFA of its first-time homebuyer performance before the end of the probationary period described in §1290.3(c)(2).

(b) **Notice.** FHFA will provide written notice to a member and the member’s Bank of its determination to restrict the member’s access to long-term advances.

(c) **Effective date.** Restrictions on access to long-term advances will take effect 30 days after the date the notices required under paragraph (b) of this section are sent unless the member complies with the requirements of this part before the end of the 30-day period.

(d) **Removing restrictions.** (1) FHFA may remove restrictions on a member’s access to long-term advances imposed under this section:

(i) If FHFA determines that application of the restriction may adversely affect the safety and soundness of the member. A member may submit a written request to FHFA to remove a restriction on access to long-term advances under this paragraph (d)(1)(i). The written request must state with specificity how the member has complied with the requirements of this part. FHFA will consider each written request within 30 calendar days of receipt.

(ii) If FHFA determines that the member subsequently has complied with the requirements of this part. A member may submit a written request to FHFA to remove a restriction on access to long-term advances under this paragraph (d)(1)(ii). The written request must state with specificity how the member has complied with the requirements of this part. FHFA will consider each written request within 30 calendar days of receipt.

(2) FHFA will place a member on probation in accordance with §1290.3(b)(2), if—

(i) The member’s access to long-term advances was restricted on the basis of the member’s inadequate performance under the CRA standard, as described in §1290.3(b)(3);

(ii) The rating in the member’s subsequent CRA evaluation is “Needs to Improve;” and

(iii) The member did not receive either a “Substantial Non-Compliance” CRA rating or a “Needs to Improve” CRA rating immediately preceding the CRA rating on which the member’s inadequate performance under the CRA standard was based.

(3) FHFA will provide written notice to the member and the member’s Bank of its determination under this paragraph (d). FHFA’s determination takes effect on the date the notices are sent.

(e) **Community Investment Cash Advance (CICA) Programs.** A member that is subject to a restriction on access to long-term advances under this part is not eligible to participate in a CICA program offered under part 952 of this title and 1291 of this chapter. The restriction in this paragraph (e), does not apply to CICA applications or funding approved before the date the restriction is imposed.

§ 1290.6 **Bank community support programs.**

(a) **Requirement.** Consistent with the safe and sound operation of the Bank, each Bank shall establish and maintain a community support program. A
Bank's community support program shall:

(1) Provide technical assistance to members;
(2) Promote and expand affordable housing finance;
(3) Identify opportunities for members to expand financial and credit services in underserved neighborhoods and communities;
(4) Encourage members to increase their targeted community lending and affordable housing finance activities by providing incentives such as awards or technical assistance to nonprofit housing developers or community groups with outstanding records of participation in targeted community lending or affordable housing finance partnerships with members; and
(5) Include an annual Targeted Community Lending Plan, approved by the Bank's board of directors and subject to modification, which shall require the Bank to—
   (i) Conduct market research in the Bank's district;
   (ii) Describe how the Bank will address identified credit needs and market opportunities in the Bank's district for targeted community lending;
   (iii) Consult with its Advisory Council and with members, housing associates, and public and private economic development organizations in the Bank's district in developing and implementing its Targeted Community Lending Plan; and
   (iv) Establish quantitative targeted community lending performance goals.

(b) Notice. A Bank shall provide annually to each of its members a written notice:

(1) Identifying CICA programs and other Bank activities that may provide opportunities for a member to meet the community support requirements and to engage in targeted community lending; and
(2) Summarizing targeted community lending and affordable housing activities undertaken by members, housing associates, nonprofit housing developers, community groups, or other entities in the Bank's district, that may provide opportunities for a member to meet the community support requirements and to engage in targeted community lending.


PART 1291—FEDERAL HOME LOAN BANKS' AFFORDABLE HOUSING PROGRAM

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1291.1 Definitions.
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1291.11 Temporary suspension of AHP contributions.
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§ 1291.1 Definitions.

As used in this part:

Affordable means that:

(1) The rent charged to a household for a unit that is to be reserved for occupancy by a household with an income at or below 80 percent of the median income for the area, does not exceed 30 percent of the income of a household of the maximum income and size expected, under the commitment made in the AHP application, to occupy the unit (assuming occupancy of 1.5 persons per bedroom or 1.0 persons per unit without a separate bedroom); or
(2) The rent charged to a household, for rental units subsidized with Section 8 assistance under 42 U.S.C. 1437f or subsidized under another assistance program where the rents are charged in the same way as under the Section 8 program, if the rent complies with this §1291.1 of this part at the time of the household's initial occupancy and the household continues to be assisted...