

§ 1281.10

(4) A workout agreement, in which a change in the payment schedule or collateral requirements is agreed to as a result of the mortgagor's default or delinquency, unless the rate is increased or the new amount financed exceeds the unpaid balance plus earned finance charges and premiums for the continuation of insurance;

(5) The renewal of optional insurance purchased by the mortgagor and added to an existing mortgage; or

(6) A conversion of a balloon mortgage note on a single-family property to a fully amortizing mortgage note where the Bank already owns or has an interest in the balloon note at the time of the conversion.

Residence means a property where one or more families reside.

Seasoned mortgage means a mortgage on which the date of the mortgage note is more than one year before the Bank purchased the mortgage.

Secondary residence means a dwelling where the mortgagor maintains (or will maintain) a part-time place of abode and typically spends (or will spend) less than the majority of the calendar year. A person may have more than one secondary residence at a time.

Single-family housing means a residence consisting of one to four dwelling units. Single-family housing includes condominium dwelling units and dwelling units in cooperative housing projects.

Very low-income means income not in excess of 50 percent of area median income.

[75 FR 81105, Dec. 27, 2010, as amended at 78 FR 2328, Jan. 11, 2013; 81 FR 76300, Nov. 2, 2016; 81 FR 91690, Dec. 19, 2016; 85 FR 38050, June 25, 2020]

Subpart B—Housing Goals

§ 1281.10 General.

Pursuant to the requirements of the Bank Act, as amended (12 U.S.C. 1430c), this subpart establishes:

(a) A prospective mortgage purchase housing goal;

(b) A small member participation housing goal;

(c) Requirements for measuring performance under the housing goals; and

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(d) Procedures for monitoring and enforcing the housing goals.

[75 FR 81105, Dec. 27, 2010, as amended at 85 FR 38051, June 25, 2020]

§ 1281.11 Bank housing goals.

(a) *Prospective mortgage purchase housing goal*—(1) *Target levels*. For each calendar year, the percentage of a Bank's AMA mortgages acquired during the calendar year that are for very low-income families, low-income families, or families in low-income areas must meet or exceed either:

(i) A target level of 20 percent; or

(ii) An alternative target level proposed by the Bank and approved by FHFA under paragraph (c) of this section.

(2) *Cap on low-income areas loans counted toward goal*. No more than 25 percent of the mortgages that are counted toward a Bank's achievement of the prospective mortgage purchase housing goal may be mortgages for families with incomes above 80 percent of area median income. Any purchases of mortgages for families with incomes above 80 percent of area median income in excess of the 25 percent cap shall be treated as mortgage purchases for purposes of the housing goals and shall be included in the denominator for the housing goal, but such mortgages shall not be included in the numerator in calculating a Bank's performance under the housing goal.

(b) *Small member participation housing goal*. For each calendar year, the percentage of a Bank's total AMA users that are community-based AMA users must meet or exceed one of the following:

(1) A target level of 50 percent;

(2) A percentage that is three percentage points greater than the percentage from the preceding calendar year; or

(3) An alternative target level proposed by the Bank and approved by FHFA under paragraph (c) of this section.

(c) *Alternative target levels*—(1) *Submission of Bank requests*. A Bank, upon approval of its board of directors, may submit a written request to FHFA for approval of different target levels for the prospective mortgage purchase