Building Blocks

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Interagency Task Force on Fair Lending

Agencies Issue Nondiscrimination Policy

Top officials of 10 Federal government agencies responsible for implementing and enforcing the nation's fair lending laws announced on March 8 a policy statement on discrimination in lending.

This was the first meeting of the Interagency Task Force on Fair Lending, which was organized to develop a coordinated approach to address discrimination in lending.

> *While lenders should think critically about whether widespread, familiar requirements and practices have an unjustifiable disparate impact, they should look especially carefully at requirements that are more stringent than customary. Lenders should also stay informed of developments in underwriting and portfolio evaluation so that they are well positioned to consider all options by which their business objectives can be achieved.*
>
> Task Force Policy Statement

"If the Federal Home Loan Bank System is to fulfill its public purpose, member institutions must operate in a nondiscriminatory manner," said Nicolas P. Retsinas, the HUD Secretary's Designee on the Federal Housing Finance Board, which oversees the Bank System.

"For this reason, the Finance Board wholeheartedly endorses the fair lending policy statement. We see it as a bold and timely reaffirmation of the principles that must characterize all aspects of our housing finance system," he added.

"Discrimination in lending on the basis of race or other prohibited factors is

(See POLICY, page 2)

18 New Directors Named to FHLBanks' Boards

The Federal Housing Finance Board recently announced the appointment of 12 community interest directors and 1 public interest director for the nation's Federal Home Loan Banks (FHLBanks). The Finance Board also designated a chair for each of the 12 FHLBanks for 1994.

The newly appointed directors represent a broad spectrum of the American populace and bring a wide range of technical and professional expertise to the FHLBanks. The diverse group collectively includes a number of women and minorities, represents both the

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destructive, morally repugnant, and against the law. It prevents those who are discriminated against from enjoying the benefits of access to credit," declared the opening paragraph of the policy statement.

"Today, the full weight of the U.S. Government has been brought to bear to assure fair lending to all Americans," said Henry G. Cisneros, Secretary of the Department of Housing and Urban Development.

"The agencies that oversee lenders of all kinds have joined forces with HUD and the Department of Justice, the two government agencies that enforce the civil rights laws, in a joint declaration against discrimination in lending," he added.

The task force policy statement on fair lending describes what constitutes discrimination under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act. It is being issued to inform lenders about what factors the agencies consider in determining whether lending discrimination exists, and to provide the agencies with a foundation for future interpretations and rule makings. The statement will be used by the agencies as a tool for administrative enforcement of fair lending statutes. The policy statement applies to all lenders, including banks and thrifts, credit unions, mortgage bankers, finance companies, retailers, credit card issuers, and any other persons or entities that extend credit of any type.

"This is the first time that these enforcement and regulatory agencies (Interagency Task Force on Fair Lending) have spoken with one voice on the critical issue of lending discrimination," Attorney General Janet Reno stated.

> *If a lender has treated similar applicants **differently on the basis of a prohibited factor, it must provide an explanation for the difference** in treatment. If the lender is unable to provide a credible and legitimate nondiscriminatory ex**planation, the agency may infer that the lender** discriminated.*
>
> Task Force Policy Statement

"While we will enforce the law vigorously, a major thrust of our program is to promote voluntary compliance. The Justice Department will work with the Task Force to continue its efforts to provide further guidance to the industry," she added.

The policy statement describes the ECOA and Fair Housing Act and identifies specific discriminatory practices prohibited by these laws.

The statement lists a description of the three methods of proving lending discrimination under these statutes -- overt evidence of discrimination, evidence of disparate treatment, and evidence of disparate impact.

Overt discrimination and disparate treatment have long been viewed as common methods of lending discrimination under the ECOA and the Fair Housing Act. In its policy statement, the Task Force states that evidence of disparate impact in lending could also constitute discrimination under those laws when a lender cannot show that a "business necessity" exists.

Lenders' most commonly asked questions about fair lending violations are addressed in the final section of the policy statement. Answers to these questions include a detailed discussion of the criteria the agencies will use in determining the nature and severity of sanctions to address discriminatory lending practices, and the considerations under which the primary regulatory agencies will make referrals for investigation and enforcement. Application of the principles outlined in the policy statement will depend on the facts in each case and is subject to continuing development.

After the announcement, the Federal Deposit Insurance Corporation, National Credit Union Administration, and Federal Trade Commission took formal agency action to adopt the policy statement. All participating agencies have now approved the statement, and it will be published in the Federal Register in late March. The policy will be effective upon publication. The agencies welcome comments.

The members of the Interagency Task Force on Fair Lending include: The Department of Housing and Urban Development, The Department of Justice, The Office of the Comptroller of the Currency, The Board of Governors of the Federal Reserve System, The Office of Thrift Supervision, The Federal Deposit Insurance Corporation, The Federal Housing Finance Board, The National Credit Union Administration, The Federal Trade Commission, and The Office of Federal Housing Enterprise Oversight.

> *Disparate treatment occurs when a lender* ***treats a credit applicant differently based on one of the prohibited bases. Disparate treatment ranges from overt discrimination to more subtle disparities in treatment. . . It is considered by courts to be intentional discrimination because no credible, nondiscriminatory reason*** *explains the difference in treatment on a prohibited basis.*
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> Task Force Policy Statement

Copies of the policy statement are available from the Office of Legal and External Affairs, Public Affairs Division, Federal Housing Finance Board, 1777 F Street, NW, Washington, D.C. 20006, or call, (202)408-2986.

New AHP Regulation Proposed for FHLBank System

Following more than 14 months of study and debate, the Federal Housing Finance Board last year approved the first comprehensive proposed changes to its 3-year-old Affordable Housing Program (AHP) regulation. If adopted, the changes would significantly alter the way the program is operated and monitored.

The proposed changes were published in the Federal Register January 10, 1994 (59 Fed. Reg. 1323) for a 60-day comment period expiring March 11.

The Finance Board's actions follow a study of the program by the AHP Regulatory Review Committee, which was created in 1992 by the Federal Home Loan Bank Presidents' Housing and Community Development Committee.

The AHP Regulatory Review Committee, chaired by James Faulstich, President of the Federal Home Loan Bank of Seattle, was composed of representatives from the Federal Home Loan Banks (including internal auditors, community investment officers, and other bank officers), member institutions that participate in the AHP, the FHLBank Advisory Councils, and nonprofit organizations involved with the program.

While the scope of the Finance Board review and subsequent proposed changes were very broad and covered many diverse issues, three major proposed changes center on the FHLBanks' administration of the AHP, monitoring of AHP-assisted projects, and long-term retention requirements.

FHLBank Administration of the AHP

Under the present regulation, FHLBanks receive AHP applications and perform a complete screening process during which each application is evaluated and scored according to scoring requirements contained in the regulation. The highest scoring

applications are then forwarded to the Finance Board, which reviews them to ensure consistency of the FHLBanks' scoring process and makes final funding decisions. Modifications to AHP awards also are approved by the Finance Board.

Under the proposed regulation, the FHLBanks would be given final authority to approve and disapprove AHP applications and modifications to applications. The rule change also would allow the FHLBanks greater flexibility in defining priorities and scoring criteria. The Finance Board would continue to review and approve FHLBank implementation plans for operating the AHP.

Monitoring of AHP-assisted Proiects

The proposed regulation makes the FHLBanks responsible for monitoring AHP projects. An exception to this would be when a subsidized advance, or a direct subsidy, is used to finance construction or rehabilitation for an AHP project. In that case, the FHLBank member applicant for AHP funds would monitor the activity until completion and provide progress reports to the FHLBank. Although the FHLBanks would remain ultimately responsible for monitoring, they would be allowed to arrange with member applicants, state housing finance agencies, or other entities to perform the tasks necessary to carry out the FHLBanks' monitoring responsibilities.

Low-term Retention Requirements

The proposed AHP regulation provides clarification on the statutory long-term occupancy and affordability requirements for rental housing. Specifically, at least 20 percent of the units of a rental housing project assisted by AHP funds must be occupied by and affordable for very-low-income households for a minimum period of 30 years or, at the election of the sponsor, the remaining useful life of the units.

The proposed AHP regulation does not contain a provision implementing the statutory requirement that the retention of owner-occupied housing financed under the AHP must be "long-term." Rather, the preamble to the proposed regulation requests public comment on two options for implementing this requirement: under option A the owner-occupied units would be required to be retained as affordable units for 30 years or, at the election of the sponsor, the remaining useful life of the units, regardless of changes in occupancy; under option B the owner-occupied units would be required to stay affordable for the initial household for the duration of that household's occupancy of the unit.

Additional issues addressed in the proposed rule changes include:

- establishing sanctions, which may vary depending upon whether the violator is the project sponsor or the FHLBank member and whether the violation is willful or inadvertent, for violations of program requirements;
- clarifying the authorized uses of AHP funds;
- requiring the FHLBanks to pay stipends to FHLBank Advisory Council members for participation in quarterly meetings with representatives of the directors of the FHLBank;
- refining requirements for revolving loan funds and loan consortia; and,
- determining whether officials of State and local housing finance agencies should be able to vote on Advisory Councils and whether their representation should be limited so that it does not constitute an undue proportion of the Advisory Council membership.

The practical experience of those who use the AHP (or are considering it) will be very helpful to the Finance Board as it considers ways to improve the program. Organizations and individuals are encouraged to review the proposed regulation.

'KeyPlayer' in Administration Initiative

FHFB Reviews Empowerment Issues

The FHLBank System is uniquely positioned to be a key player in the Clinton administration's Empowerment Initiative. The Finance Board's Housing Finance Directorate has identified several areas in which the Bank System can participate.

The administration's legislation -- "Empowerment Zones and Enterprise Communities, and Rural Development Investment Areas," (Title XIII of the Omnibus Budget Reconciliation Act of 1993, Pub. L. 103-66, August 10, 1993) -- authorizes the designation of 65 urban and 30 rural Enterprise Communities and 6 urban and 3 rural Empowerment Zones. Urban designations are handled through the U.S Department of Housing and Urban Development and rural designations are handled within the U.S. Department of Agriculture. Nominations are submitted by State and local governments.

To emphasize his commitment to the initiative, President Clinton established the President's Community Enterprise Board and appointed Vice President Gore to head this board, which is composed of cabinet secretaries and key Federal agency officials.

There are several features in the initiative:

l A total of $1 billion in funding for grants to States will be made available for employment training, youth services, drug and alcohol prevention and treatment programs, and other social services in designated zones and communities. Nonprofit and for-profit organizations are eligible to apply.

l Up to $15,000 in employer tax credits will be provided for wages paid to qualified zone employees.

l Tax incentives are available for eligible activities in a designated zone or community. These include an expanded tax-exempt facility bonding authority of up to $3 million for an Empowerment Zone or Enterprise Community.

l Expensing of qualified Empowerment Zone property up to $20,000.

l Areas eligible for an Empowerment Zone and Enterprise Community designation must meet certain size and population requirements, qualify as distressed areas, and contain a significant percentage of census tracts below the poverty rate.

l An applicant for an Enterprise Community or Empowerment Zone must first develop a comprehensive strategic plan outlining the coordinated economic, human resource, community, and physical development plan for the area. The application must also identify objectives and benchmarks for achieving stated goals, the community involvement in achieving the plan, and additional public and private resources that will support the effort.

The Clinton Administration is extremely interested in encouraging economic revitalization not only for designated zones or communities, but in directing resources to communities that fail to receive a designation. Toward that end, the Administration is currently reviewing ways where existing Federal resources can be directed toward these communities.

Experience with State-sponsored Enterprise Zones reveals that successful ventures are usually those in which goals are clearly articulated, and in which there is broad participation in planning by a wide range of citizen groups.

The Federal Home Loan Banks' are uniquely situated to play an important role in encouraging community partnerships. Through their existing community support network, the FHLBanks have contacts with non-profit organizations, business and industry leaders, and local governments. The FHLBanks' Advisory Councils, consisting of community representatives, provide the FHLBanks with an assessment of community credit needs and assist in establishing priorities for the Atlordable Housing Program.

In addition, the FHLBanks frequently sponsor conferences and training sessions that serve as resource-sharing and networking opportunities for diverse sectors within their districts. Through their community support programs, the FHLBanks provide ongoing technical assistance to their member financial institutions in meeting community investment needs.

There are several noteworthy FHLBank-sponsored community development initiatives and partnerships. These have included the formation of lender consortia to address specific community development needs, the creation of a foundation for community development, and the establishment of community support funds for special community development lending purposes.

Key to the FHLBanks' successes has been the Atlordable Housing Program and Community Investment Program. Under the Affordable Housing Program, 63,000 units of low-income housing have been developed to serve a diverse population. For example, 15 percent of the total number of units are in rural areas, 12 percent are for the elderly, and 28 percent of all approved applications include units for homeless households.

Under the Community Investment Program, the FHLBanks have financed more than $4.5 billion in community lending activity, of which 3 percent is for economic development projects, and 97 percent is helping to build housing units.

In addition, both the FHLBanks and the Finance Board continue to explore new products and services which can better serve the needs of low-and moderate-income communities.

In the coming months, the Bank System will begin a broad process of consultation with the FHLBanks' Advisory Councils, Bank System members and their boards of directors, housing professionals and advocates, and others to identify unmet housing and economic and community financing needs and the credit products needed to address them. Undoubtedly, ways in which the Bank System can provide support to the Clinton Administration's new initiative will be a subject commanding continued attention.

Community Support Program Notice Receives 28 Responses

On September 3, 1993, the Federal Housing Finance Board (Finance Board) published an Advanced Notice of Proposed Rulemaking to amend the regulation governing its Community Support Program (CSP). The Finance Board sought comments on amending the regulation to specify procedures for reviewing members not covered by the Community Reinvestment Act (CRA), specifically, insurance company and credit union members (58 Fed. Reg. 46569). The comment period ended December 31, 1993.

Twenty-eight comments were received and are being reviewed by the Finance Board. Following this review, the Finance Board anticipates issuing a draft proposed

rulemaking for a 60-day comment period. After the comment period, the Board plans to further narrow the issues and prepare the final rule to amend the regulation.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) required the Finance Board to issue regulations making Federal Home Loan Bank members' continued access to long-term FHLBank System advances conditioned on meeting a community support standard. Since creating the Community Support Program in November 1991, the Federal Housing Finance Board has reviewed the community support efforts of more than 2,000 FHLBank System members.

In conducting the reviews, FIRREA requires the Finance Board to consider the member's CRA performance and record of assistance to first-time homebuyers. The Finance Board relies heavily on members' CRA evaluations, both because the statute requires it, and because the evaluations provide an objective on-site assessment of community investment performance.

Not all Federal Home Loan Bank System members are covered by the CRA, however. Specifically, insurance companies and credit unions are not subject to CRA. Therefore, the September 3 advance notice was the first step toward amending the Community Support Program regulations to determine how members not covered by the CRA will be reviewed.

The advance notice made no proposal. Rather, it asked a series of questions designed to elicit public comments.

For example, the advance notice asked the public whether there are statutory or regulatory limitations that would prevent the Finance Board from applying existing CSP lending requirements to credit union and insurance company members. It also asked how to define community support for these members and if credit unions and insurance companies should be treated differently from each other for purposes of the review.

Since FIRREA requires the Finance Board to take CRA performance into account, the advance notice asked if credit union and insurance company members should be required to comply with some equivalent of CRA and, if so, how such compliance could be assessed and verified. In addition, it asked whether a community reinvestment fund should be used to substitute for the CRA portion of the Community Support Statement and how such a fund might be administered.

To measure the commitment of resources for credit union and insurance company members, ideas were solicited on whether a set percentage of assets should be required to be invested in community support activities.

Members covered by CRA are evaluated on their record of meeting the credit needs in their delineated communities. The advance notice asked whether there is a need to establish some "community" for insurance company and credit union members and whether that is a workable concept for these entities. It further asked how and if insurance company and credit union fair lending performance should be assessed, and how the level of assistance to first-time homebuyers might be determined.

The current regulation requires that members be reviewed for their CSP performance every two years. The advance notice asked how insurance companies and credit unions which have not previously been required to demonstrate community investment efforts should be reviewed for the first time. It asked whether the purchase of loans and securities by these entities should demonstrate a reasonable commitment to residential lending.

The existing CSP regulation attempts to strike a balance between the policy goals of the enabling legislation and enhancing the FHLBank System's role as a lending partner

while not impairing the Bank System's attractiveness to new members. The advance notice asked how to structure the regulatory amendments to do the same, while keeping paperwork for members not covered by CRA to a minimum. The notice also asked how to ensure that the public will be given an opportunity to comment in connection with the review of individual credit union and insurance company members.

Habitat for Humanity + AHP = Success

Laura Asiala, Executive Director of the Bay City, Michigan chapter of Habitat for Humanity, is unquestionably committed to Habitat's principles which emphasize empowerment through homeownership by helping low-income families buy homes. But, she is quick to point out, that empowerment would not be possible without subsidies from the Federal Housing Finance Board's Affordable Housing Program. These subsidies, of up to $6,000 per unit, are critical in quickly moving local projects to completion, Asiala believes.

In Bay City, she said, the speed with which AHP applications are approved is a major benefit to the local Habitat chapter.

"The Affordable Housing Program enabled us to do it faster . . . it helped reverse our building season," Asiala said, allowing the group to do construction in the spring and summer instead of the autumn and winter.

One of the purposes of the Finance Board's Affordable Housing Program is to provide direct subsidies to Federal Home Loan Bank System members lending for long-term very-low-, low-, and moderate-income owner-occupied and affordable rental housing. The program is designed to encourage members to engage in creative lending and to intensify their efforts towards increasing the supply of affordable housing.

Since 1990, the AHP has helped Habitat produce more than 2,700 units of single-family and multifamily housing. Habitat accounts for 15.2 percent of all AHP applications, and nearly $13 million in AHP subsidies have gone to Habitat projects. Nationwide, the average AHP subsidy to a Habitat home is $4,688.

Habitat for Humanity International was founded in 1976 by Millard Fuller, a former millionaire businessman, and his wife, Linda. The Fullers gave away their fortune and created Habitat as an ecumenical Christian housing ministry to provide decent, safe, and affordable housing for low- and moderate-income families. Habitat is active in 41 foreign countries and in all 50 of the United States, and hopes to complete its 30,000th home in June 1994.

Millard Fuller was the keynote speaker at an October 14, 1993 Community Investment Conference sponsored by the Federal Home Loan Bank of Indianapolis. At the conference, Fuller presented Bank President and CEO Martin L. Heger with an award in recognition of the Bank's outstanding support since 1990 for its work with Habitat for Humanity. At that time, the FHLBank of Indianapolis had more projects with Habitat than any other FHLBank in the Bank System.

Ken Benson, Michigan's statewide coordinator of Habitat for Humanity, notes that since 1990, when the AHP program began, all of Habitat's projects in Michigan have received AHP subsidies. Finance Board data show that AHP/Habitat activity in Michigan grew from 8 homes in 1990 to 115 in 1993. Michigan is in the district served by the Federal Home Loan Bank of Indianapolis.

Habitat spokesperson Mary Kate Wilson confirmed that the organization's activities have grown immensely since 1990, primarily because of increased grants from institutions and corporate donations.

"Direct subsidies (including AHP) and corporate giving has meant an extraordinary increase in the amount of activity," she said.

The explanation for the high degree of AHP use by Habitat projects can be found in the criteria for AHP financing. When Bank System members, working with sponsors, submit an application for AHP subsidies, the proposals are graded on seven priorities, the clients' income, the amount of community involvement, the degree of empowerment for the

AFFORDABLE HOUSING PROGRAM
ACTIVE AND COMPLETED HABITAT PROJECTS
AS OF DECEMBER 15,1993

Federal Home Loan Bank	Number of Projects	Development costs (thousands)	Total Subsidies (thousands)	Number of Units
Boston	4	$10,028	$ 494	89
New York	7	6,716	582	108
Pittsburgh	15	11,386	1,202	217
Atlanta	6	4,608	764	150
Cincinnati	85	13,160	1,362	296
Indianapolis	60	12,859	1,623	281
Chicago	10	4,265	317	87
Des Moines	4	2,255	90	35
Dallas	26	21,005	2,021	572
Topeka	19	26,838	2,930	807
San Francisco	8	10,393	1,477	102
Seattle	1	300	30	6
TOTALS	**245**	**$123,814**	**$12,892**	**2,750**

client, its period of affordability, and whether the project meets the goals of the FHLBank, amongothers.

AHP is specifically designed to help very-low- to moderate-income families, which is exactly the clientele served by Habitat for Humanity. In addition, Habitat projects also meet most of the other AHP priorities, therefore most Habitat applications receive high scores, and thus have a better chance for funding.

Charles McCuistion, president and chief operating officer of Mutual Saving Bank which funded the Bay City Habitat project, sees the investment in a similar light. Mutual, which has 25 offices around the state, is a "serious player in all areas of affordable housing," McCuistion said. And combining the resources of the AHP and the practices of Habitat for Humanity "meets the bank's criteria (for community development) in spades."

"The Affordable Housing Program and Habitat for Humanity are an opportunity to see that community development actually works -- you get to see the home built, (then) see the people move in. It works," McCuistion said.

"We are able to make a difference in the community. That's what it is all about," he said.

(DIRECTORS' from page 1)

private and public sectors, and reflects non-profit and for-profit entities operating at the local and national levels. Their appointments ensure that the interest of all Americans will be fully represented on the FHLBanks' boards of directors. Seven of these newly appointed directors also have been designated to serve as chairs of their FHLBank's board of directors.

FHLBank of Boston

Elizabeth H. Mitchell (CID & CH): Ms. Mitchell currently serves as the director of Special Projects for the Maine Education Services, a full-service student loan corporation. Ms. Mitchell is also a State Representative for the 116th Maine State Legislature and House Chair, Joint Standing Committee on Education with jurisdiction over elementary and secondary education. She also serves on the board of directors for the Maine Coalition for the Homeless. From 1986 to 1990, Ms. Mitchell chaired the Maine State Housing Authority.

FHLBank of New York

Neil D. Levin (CH): Mr. Levin has been a director of the FHLBank of New York for seven years and chairman for six years. Mr. Levin is a vice president of Goldman, Sachs & Co. and has been with the firm since 1987. Prior to joining Goldman, Sachs, Mr. Levin was chief counsel to the U.S. Senate Committee on Banking and Urban Affairs, Subcommittee on Securities. He also serves on the board of directors of the Federal Agriculture Mortgage Corporation.

Reese W. Fayde (CID): Ms. Fayde is the founder of Reese Fayde & Associates, a management consulting firm that provides technical assistance to community-based non-profit organizations in the development and operation of low- and moderate-income housing. Ms. Fayde also serves as a director of Women in Housing and Finance, Inc., an organization that conducts seminars and meetings to educate its members about new banking services and financing techniques for housing development and operations in New York. Ms. Fayde is from New York City.

FHLBank of Pittsburgh

Raymond R Christman (CID & CH): Mr. Christman is President of the Technology Development and Education Corporation of Southwestern Pennsylvania (TDEC), a nonprofit economic development organization providing low-interest financial assistance programs, education and training, and technical assistance to small and medium-size manufacturing companies. Mr. Christman is also vice president on the board of directors for the National Council for Urban Economic Development, a nationwide full-serviceeconomic development association that focuses on the development and revitalization of local economies. Prior to joining TDEC, Mr. Christman served for four years as the secretary of commerce for the Commonwealth of Pennsylvania, and from 1985 to 1987, he served as the executive director of the Pittsburgh Urban Redevelopment Authority with responsibility for all economic development and housing development activities.

FHLBank of Atlanta

Stanley Waranch (CH): Mr. Waranch has been a director of the FHLBank of Atlanta for 21 years and chairman for 12 years. Mr. Waranch is president of Buxbaum and Waranch, Inc., a real estate development firm in Virginia Beach, Virginia. He previously served as the president of the National Association of Home Builders and as a member of the advisory boards for the Federal Home Loan Bank Board, Fannie Mae, and Freddie Mac.

Juan P. Loumiet (CID): Mr. Loumiet is a partner with the law firm of Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A., in Miami, Florida. Mr. Loumiet serves on the Dade County Advisory Board for the Local Initiatives Support Corporation (LISC), the nation's largest community development support organization. Founded in 1979 by the Ford Foundation, LISC enables residents of low-income communities to improve the quality of life and economic conditions in their neighborhoods. Mr. Loumiet was appointed chairman of the Dade Community Foundation and has also served in this organization as treasurer and member of the board of governors. Mr. Loumiet is from Coral Gables, Florida.

FHLBank of Cincinnati

Nancy C. Miller-Herron (CID & CH): Ms. Miller-Herron is a partner with the law firm ofHerron & Miller-Herron. Ms. Miller-Herron also serves as chair of the local prospective affiliate of Habitat for Humanity, and was recently nominated to serve on the National Advisory Board for the Habitat for Humanity. Ms. Miller-Herron is from Dresden, Tennessee, and, while presently on leave from the Tennessee Conference of the United Methodist Church, she continues to serve occasionally as a minister.

FHLBank of Indianapolis

Margaret DeSantis (CID & CH): Ms. DeSantis is the executive director of the Warren/ConnerDevelopment Coalition, a nonprofit community-based coalition of residents, businesses, and service providers in a distressed east-side neighborhood in Detroit. The coalition focuses on crime prevention, youth employment, community education and planning, public policy advocacy, community economic development, and leadership training. Ms. DeSantis also serves on the boards of directors of the East Detroit Area Non-Profit Housing Corporation, Detroit Eastside Community Collaborative, and New Detroit, Inc.

FHLBank of Chicago

Jennifer A. Miller (CID & CH): Ms. Miller is the manager of community development for the Illinois Housing Development Authority. Ms. Miller is responsible for implementing the policies, procedures, and

operations of the Illinois Affordable Housing Trust Fund, which makes loans on projects for low- and very-low-income residents throughout the State. Prior to this position, Ms. Miller served as manager of the Chicago Department of Housing and worked intensively with the Chicago City Council in testifying for all ordinances related to the Department of Housing. She also worked for nine years with the Neighborhood Reinvestment Corporation. As the director for New Strategies, she created a department to address confidence problems in low-income neighborhoods, and designed and implemented programs for youth gang intervention and foreclosure prevention. She has also served as program officer with the Local Initiatives Support Corporation.

FHLBank of Des Moines

Anthony J. Scallon (CID & CH): Mr. Scallon was recently selected as Skills for Tomorrow High School Coordinator. Prior to this appointment, he served on the Minneapolis City Council for 13 years and was the commissioner of the Minneapolis Community Development Agency, advocating investments by financial institutions in the inner city. Mr. Scallon is currently serving on a Citizen Advisory Committee to the agency that reviews banking investment in small business and affordable housing. Mr. Scallon is an active member of the Longfellow Community Council focusing on loans for housing rehabilitation and neighborhood improvement.

FHLBank of Dallas

Manuel J. Mehos (CH): Mr. Mehos has been a director on the board of the FHLBank of Dallas for three years. Mr. Mehos is chairman and chief executive officer of Coastal Banc Savings Association in Houston, Texas, where he has served since 1985. From 1980 to 1985, Mr. Mehos was a securities sales and regional tax specialist with Goldman, Sachs & Company in Houston. Prior experience includes Peat, Manvick & Mitchell, where Mr. Mehos worked as a certified public accountant.

Henry Flores (CID): Mr. Flores currently serves as the executive director of the Texas Department of Housing and Community Affairs, which assists local governments in helping residents overcome financial, social and environmental problems, and contributes to the preservation and redevelopment of neighborhoods and communities. Mr. Flores also serves as the president of the National Hispanic Housing Council and the executive director of the Council of State Community Development Associations. He is from Austin, Texas.

FHLBank of Topeka

David K. Karnes (CH): Mr. Karnes has been a director and chairman of the board of the FHLBank of Topeka for nine years. Mr. Karnes is president of The Fairmont Group, a merchant banking and financial consulting joint venture in Omaha, Nebraska. From 1987 to 1989, Mr. Karnes was a U.S. Senator from Nebraska and served on the Committee on Banking, Housing and Urban Affairs; the Committee on Agriculture, Nutrition and Forestry; and the Committee on Small Business. He currently serves on the U.S. Advisory Committee on Trade Policy and Negotiation, the National Advisory Committee for Fannie Mae, and is a trustee for the White House Fellows Foundation.

Michael Boyle (CID): Mr. Boyle is a principal in the law firm of Boyle & Associates, P.C. Mr. Boyle serves on the board of directors for the Holy Name Housing Corporation (HNHC), a community development corporation that rehabilitates and builds houses to provide home ownership opportunities to low- and moderate-income households in Omaha, Nebraska. In 1992, HNHC sponsored the formation of Omaha 100, Inc., a nonprofit community development intermediary created

to address the need for affordable housing in Omaha. Mr. Boyle was a co-founder of Omaha 100 which acts as a conduit for local and national resources.

Alan B. Salazar (PID): Mr. Salazar currently serves as the director of the Governor's Office of Policy and Initiatives for the State of Colorado. Mr. Salazar is responsible for the overall management of a 20-person staff, focusing on issues involving education, families and children, health reform, and the environment and human services. Mr. Salazar is an active member of the Latin America Research and Service Agency, the Colorado Hispanic Institute for Education and Economic Development, and the Colorado Hispanic League. He is from Thornton, Colorado.

FHLBank of San Francisco

Mary Lee Widener (CID & CH): **Ms.** Widener currently serves as the president and chief executive officer of Neighborhood Housing Services of America in Oakland. Ms. Widener is a co-founder of this national

Upcoming Application Dates for Affordable Housing Program

FHLBank	First Round	Second Round
Boston	April 15	October 17
New York	April 15	October 17
Pittsburgh		July 15
Atlanta	---	July 15
Cincinnati	April 15	October 17
Indianapolis	---	July 15
Chicago	April 15	October 17
Des Moines	April 15	October 17
Dallas	April 15	October 17
Topeka	April 15	October 17
San Francisco	April 15	October 17
Seattle	April 15	October 17

nonprofit organization whose mission is to facilitate neighborhood revitalization and to increase private sector lending in low-income neighborhoods. For the past two years, she has served as chair of the Affordable Housing Advisory Council of the FHLBank of San Francisco and holds an extensive record in service to her community.

FHLBank of Seattle

Stephen M. Studdert (CH): Mr. Studdert has been a director on the board of the FHLBank of Seattle for seven years and chairman for four years. Mr. Studdert is chairman of the Studdert Group, Ltd., a management consulting practice in Salt Lake City, Utah. Mr. Studdert served as an assistant to President George Bush (1988), President Ronald Reagan (1981-83), and President Gerald Ford (1975-76) during their terms in office. He currently is a member of the President's Export Council, the Export Now Advisory Council, and the Foreign Trade Practices Advisory Committee.

Harry C. Thomas (CID): Mr. Thomas is an active member of Neighborhood House, a nonprofit agency that serves low-income residents in the major public housing developments in the Seattle-King County Metropolitan Area. The agency has earned a distinguished record as an advocate for low-income and homeless persons and families. For the past seven years, Mr. Thomas served as the executive director of the Seattle Housing Authority, which provides housing opportunities for more than 20,000 low-income residents. In his current position, Mr. Thomas is staff director for the Governor of the State of Washington.

CH = Chair; CID = Community Interest Director; PID = Public Interest Director

Annual Report on Low-Income Housing Now Available

The Federal Housing Finance Board's 1992 Report on the Low-Income Housing and Community Development Activities of the Federal Home Loan Bank System is now available.

This report reviews the progress and results of the Affordable Housing Program, Community Investment Program, and Community Support Program for 1992. The report also lists the accomplishments, highlights, and recommendations of the Affordable Housing Advisory Council of each Federal Home Loan Bank.

Copies can be obtained by contacting Dennis McGee at (202)408-2810.

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