



U.S. Congressman

**Nick Rahall**

*WORKING FOR WEST VIRGINIANS*

FOR IMMEDIATE RELEASE  
October 4, 1994

CONTACT: SHAWN BECKETT  
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***VICTIMS OF DOMESTIC VIOLENCE AND HOMELESS TO RECEIVE HELP***

WASHINGTON, D.C. -- U.S. Rep. Nick Rahall (D-W.Va.) announced today that S.A.F.E. Housing of McDowell county received \$129,000 and New River Habitat for Humanity of Raleigh county received \$206,152 from the Federal Home Loan Bank of Pittsburgh.

"These projects will help those among us who are less fortunate by helping them seek a safe environment in which they can return to a productive life," said Rahall.

The S.A.F.E. Housing project will renovate a vacant school building in order to house victims of domestic violence and/or homeless persons.

New River Habitat for Humanity will fund the construction of eight units to house very low-income persons or families.

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~~"I am always pleased to announce funding for projects like these," said Rahall. "These projects will help those among us who are less fortunate by helping them to get back on their feet."~~ *Rahall said. seek a safe environment in which to return to productive life.*

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## **Federal Home Loan Bank of Pittsburgh**

### **FACT SHEET**

### ***Federal Home Loan Bank System***

Federal Home Loan Bank of Pittsburgh and the 11 other District Banks ensure a continuous flow of mortgage money through times of both economic adversity and prosperity so more Americans can own homes. Created by Congress in 1932, the District Banks have fulfilled their mission through the decades by furnishing funds in the form of advances, or loans, to mortgage lenders, which then pass them along to home buyers. The 12 District Banks constitute the second largest banking organization in the United States and obtain funds in capital markets at rates just slightly higher than the borrowing cost of the U.S. Treasury. The normal borrowing cost of the District Banks ranges from 20 to 50 basis points above similar maturity government bonds.

Since the Bank System's inception, membership has included thrift institutions (savings and loan associations, savings banks, and co-operative banks) and a small number of insurance companies. In August 1989, membership expanded to include commercial banks and credit unions which meet a commitment to housing finance as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The 12 Federal Home Loan Banks borrow funds in the nation's credit markets to lend to member institutions, which, in turn, use the funds for home mortgages, seasonal cash needs, and other purposes.

The Federal Home Loan Bank System has three components:

- ◆ Federal Housing Finance Board in Washington, D.C.
- ◆ 12 Federal Home Loan Banks
- ◆ Member mortgage-lending institutions

### **FEDERAL HOUSING FINANCE BOARD**

The Federal Housing Finance Board, an independent federal agency, is the governing body of the Federal Home Loan Bank System. Its primary function is to oversee credit allocation by the regional banks to members in the form of advances (loans).

The Finance Board is made up of five board members, including the Secretary of HUD and four individuals appointed by the President and confirmed by the Senate. One of the four is appointed by the President to serve as Chairman. No more than three board members may be of the same political party.

## **FEDERAL HOME LOAN BANKS**

Although the 12 Federal Home Loan Banks are instrumentalities of the federal government, they are wholly-owned by their member institutions. Each Bank has its own staff and Board of Directors. Each Bank's Board includes public-sector directors appointed by the Federal Housing Finance Board for four-year terms, as well as Directors elected by member institutions for two-year terms. Within parameters established by the Finance Board, the Boards set policies and establish programs relating to the Banks' central-banking function.

The 12 Banks provide a variety of credit products and correspondent banking services to their member institutions. Besides making advances (loans) and offering deposit services to members, the Banks offer operating, investment, and advisory services. Each Bank offers special advances (loans) for the creation of affordable housing, enabling members to offer below-market-rate home mortgages to low-and moderate-income families. However, not all Banks offer the same services. The Banks' primary source of income is the spread between the rate at which they borrow funds in the nation's credit markets and the rate at which they lend to member institutions.

The Banks operate in geographic districts that cover all of the continental United States, the District of Columbia, Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands. The Banks are located in Boston, New York, Pittsburgh, Atlanta, Cincinnati, Indianapolis, Chicago, Des Moines, Dallas, Topeka, San Francisco, and Seattle.

## **MEMBER INSTITUTIONS**

Approximately 3,500 mortgage lending institutions are members of the Federal Home Loan Bank System. All federally chartered savings and loans and federally chartered savings banks are members, as are all savings and loans and savings banks with FDIC/SAIF (Federal Deposit Insurance Corporation/Savings Association Insurance Fund) insurance of accounts. These groups of institutions are required to belong. In addition, many state chartered thrift institutions with FDIC/BIF (Bank Insurance Fund) insurance are voluntary members. Membership is also open to qualified commercial banks, credit unions, and insurance companies.



## Federal Home Loan Bank of Pittsburgh

### FACT SHEET

### *Bank Profile*

The Federal Home Loan Bank of Pittsburgh primarily serves as a central source of credit to mortgage lenders in Delaware, Pennsylvania, and West Virginia to supplement their local funds for home financing. The Bank also provides correspondent banking services to financial institutions in this three-state area.

Purchasing stock is required for financial institutions to access the Bank's varied advance programs, but is not required of those solely interested in noncredit services. Membership is open to savings institutions, commercial banks, insurance companies, and credit unions with at least 10 percent of their assets in residential mortgages. The Bank is part of the Federal Home Loan Bank System, a national network of approximately 3,500 member mortgage-lending institutions, 12 Federal Home Loan Banks, and the Federal Housing Finance Board in Washington, D.C.

Triple-A ratings by Standard & Poor's and Moody's attest to the System's and the Bank's financial strength. The Bank has never incurred a single credit loss, since it obtains sufficient collateral from borrowing institutions before loaning funds. The Bank's funds consist of bonds and discount notes that are the joint obligations of all 12 District Banks, retained earnings, and member financial institutions' deposits and stock holdings in the Bank.

Members are required to own stock in the Bank in proportion to their qualified mortgage assets and earn a market rate of return on their investment. Since 1980, the Bank has consistently paid average dividends in excess of nine percent.

The Bank's original mission to promote housing as a reserve credit system for housing finance has evolved over the years to include provision of quality correspondent banking services. Through the main office and satellite processing center in Conshohocken, a suburb of Philadelphia, the Bank also offers customers operating, investment, and advisory services. The Bank also has a community investment office located in Charleston, West Virginia.

01/21/93