

(c) *Terms and conditions*—(1) *General*. Subject to the provisions of this paragraph (c), a Bank, in its discretion, shall determine whether, and on what terms, it will make advances to a nonmember mortgagee.

(2) *Advance pricing*. (i) A Bank shall price advances to nonmember mortgagees in accordance with the requirements for pricing advances to members set forth in §935.6(b). Wherever the term “member” appears in §935.6(b), the term shall be construed also to mean “nonmember mortgagee.”

(ii) A Bank shall apply the pricing criteria identified in §936.5(b)(2) equally to all of its member and nonmember mortgagee borrowers.

(3) *Limit on advances*. The principal amount of any advance made to a nonmember mortgagee may not exceed 90 percent of the unpaid principal of the mortgage loans or securities pledged as security for the advance. This limit does not apply to an advance made to a nonmember mortgagee under paragraph (b)(2) of this section.

(d) *Transaction accounts*. Solely for the purpose of facilitating the making of advances to a nonmember mortgagee, a Bank may establish a transaction account for each nonmember mortgagee.

(e) *Loss of eligibility*—(1) *Notification of status changes*. A Bank shall require a nonmember mortgagee that applies for an advance to agree in writing that it will promptly inform the Bank of any change in its status as a nonmember mortgagee.

(2) *Verification of eligibility*. A Bank may, from time to time, require a nonmember mortgagee to provide evidence that it continues to satisfy all of the eligibility requirements of the Act and this subpart.

(3) *Loss of eligibility*. A Bank shall not extend a new advance or renew an existing advance to a nonmember mortgagee that no longer meets the eligibility requirements of the Act and this subpart until the entity has provided evidence satisfactory to the Bank that it is in compliance with such requirements.

(The Office of Management and Budget approved the information collection requirements contained in this section and assigned control number 3069-0005

with an expiration date of November 30, 1999)

## PART 936—COMMUNITY SUPPORT REQUIREMENTS

Sec.

936.1 Definitions.

936.2 Community support requirement.

936.3 Community support standards.

936.4 Decision on community support statements.

936.5 Restrictions on access to long-term advances.

936.6 Bank community support programs.

936.7 Reports.

AUTHORITY: 12 U.S.C. 1422a(a)(3)(B), 1422b(a)(1), 1429, and 1430.

SOURCE: 62 FR 28988, May 29, 1997, unless otherwise noted.

### §936.1 Definitions.

For purposes of this part:

(a) *Act* means the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421, *et seq.*).

(b) *Advance* has the same meaning as in §935.1 of this chapter.

(c) *Advisory Council* means the Advisory Council each Bank is required to establish pursuant to section 10(j)(11) of the Act and part 960 of this chapter.

(d) *Affordable Housing Program* or *AHP* means the program each Bank is required to establish pursuant to section 10(j) of the Act and part 960 of this chapter.

(e) *Appropriate federal financial supervisory agency* means the Office of the Comptroller of the Currency for national banks; the Board of Governors of the Federal Reserve System for state chartered banks that are members of the Federal Reserve System and bank holding companies; the Federal Deposit Insurance Corporation for state chartered banks and savings banks that are not members of the Federal Reserve System and the deposits of which are insured by the Federal Deposit Insurance Corporation; and the Office of Thrift Supervision for savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation and savings and loan holding companies.

(f) *Bank* or *Banks* means a Federal Home Loan Bank or the Federal Home Loan Banks.

§ 936.2

12 CFR Ch. IX (1–1–98 Edition)

(g) *Community Investment Program* or *CIP* means the program each Bank is required to establish pursuant to section 10(i) of the Act.

(h) *Community-oriented mortgage lending* has the same meaning as in section 10(i)(2) of the Act.

(i) *CRA* means the Community Reinvestment Act of 1977, as amended (12 U.S.C. 2901, *et seq.*).

(j) *CRA evaluation* means the public disclosure portion of the CRA performance evaluation provided by a member's appropriate federal financial supervisory agency.

(k) *Finance Board* means the agency established as the Federal Housing Finance Board.

(l) *First-time homebuyer* means:

(1) An individual and his or her spouse, if any, who has had no present ownership interest in a principal residence during the three-year period prior to purchase of a principal residence.

(2) A displaced homemaker who, except for owning a residence with his or her spouse or residing in a residence owned by his or her spouse, meets the requirements of paragraph (1)(1) of this section. For purposes of this paragraph (1)(2), the term *displaced homemaker* means an adult who has not worked full-time, full-year in the labor force for a number of years and, during that period, worked primarily without remuneration to care for a home and family, and currently is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(3) A single parent who, except for owning a residence with his or her spouse or residing in a residence owned by his or her spouse, meets the requirements of paragraph (1)(1) of this section. For purposes of this paragraph (1)(3), the term *single parent* means an individual who is unmarried or legally separated from a spouse and has custody or joint custody of one or more minor children or is pregnant.

(m) *Long-term advance* means an advance with a term to maturity greater than one year.

(n) *Member* means an institution admitted to membership and owning capital stock in a Bank.

(o) *Restriction on access to long-term advances* means a member may not borrow long-term advances or renew any maturing advance for a term to maturity greater than one year.

**§ 936.2 Community support requirement.**

(a) *Selection for community support review.* The Finance Board shall select a member for community support review approximately once every two years.

(b) *Notice—(1) By the Finance Board.* The Finance Board concurrently shall:

(i) Notify each Bank of the members within its district that are required to submit community support statements during the calendar quarter; and

(ii) Publish a notice in the FEDERAL REGISTER that includes the name and address of each member required to submit a community support statement during the calendar quarter, and the deadline for submission of the community support statement to the Finance Board. The deadline for submission of a community support statement shall be no earlier than 45 calendar days after the date of publication of the notice in the FEDERAL REGISTER.

(2) *By the Banks.* Within 15 calendar days of the date of publication in the FEDERAL REGISTER of the notice required by paragraph (b)(1)(ii) of this section, a Bank shall provide written notice:

(i) To 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