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**FEDERAL HOME LOAN BANK OF NEW YORK
AWARDS \$1.9 MILLION IN AFFORDABLE HOUSING GRANTS
IN NEWARK, JERSEY CITY AND ELIZABETH**

-Three projects will support 157 units of affordable housing-

Newark, New Jersey – The Federal Home Loan Bank of New York announced today the award of a \$380,000 affordable housing grant to Life Management, Inc. to help finance construction costs for Roseville Commons, which will create 49 units of affordable rental housing for low- and very low-income families and individuals in Newark; the award of a \$1.5 million affordable housing grant to Volunteers of America-Jersey City to help finance construction costs for the Harborview Apartments, which will rehabilitate 99 units of affordable housing for very low-income seniors in Jersey City; and the award of a \$75,000 affordable housing grant to the Community Access Institute to help finance the construction of the Orchard Street Supported Housing project, which will provide nine units of moderate- and very low-income housing in Elizabeth. Home Loan Bank members New Community Federal Credit Union, RSI Bank and The Provident Bank submitted the applications for the funding.

In 2009, the Federal Home Loan Banks marked the 20th anniversary of the Affordable Housing Program (“AHP”), which was created by Congress in 1989. Since the Program’s inception, the Federal Home Loan Banks have provided more than \$3.6 billion to facilitate more than 15,000 affordable housing projects across the nation. These grants have created nearly 670,000 units of affordable housing. At the Federal Home Loan Bank of New York, the AHP has supported nearly 1,200 projects with grants totaling more than

\$330 million, creating more than 48,000 units of affordable housing and generating nearly \$6 billion in total development costs.

“The Federal Home Loan Bank of New York has a long history of supporting housing for those who can least afford it,” said Monsignor William J. Linder, founder and CEO of New Community Corporation. “New Community Corporation would like to extend its thanks to the bank for making this commitment to the Roseville Commons project.”

“RSI Bank has actively supported the New Jersey community for more than 150 years. Through our partnership with the Federal Home Loan Bank of New York, we are proud to support Volunteers of America’s efforts to preserve nearly 100 units of senior housing,” said Donald Godfrey, Senior Vice President at RSI Bank, which submitted the application for the Harborview Apartments. “We look forward to continuing to be actively involved in the Federal Home Loan Bank of New York’s Affordable Housing Program.”

“For the past two decades, the Affordable Housing Program has been one of the nation’s most successful housing initiatives because of the partnership between the Home Loan Bank, our members, community organizations and elected officials,” said Alfred A. DelliBovi, president and CEO of the Federal Home Loan Bank of New York. “As we celebrate the start of a new decade, we look forward to continuing this partnership and helping to build stronger communities across the Garden State for years to come.”

The \$380,000 grant will be used to help fund construction costs for the Roseville Commons project, which will create 49 units of high-quality affordable housing for low- and very low-income families and individuals. Ten of the units will be set aside for formerly homeless households and 10 units will be reserved for individuals with special needs, including formerly homeless veterans who are disabled. Life Management, Inc. will provide various social services to the residents, with the objective of fostering economic and social empowerment, and offer access to health care services on-site for

residents. The new housing will contribute to the revitalization of the Roseville neighborhood of Newark.

The \$1.5 million grant will be used to help fund construction costs for the Harborview Apartments project, which involves the rehabilitation of a 99-unit high rise apartment complex which provides affordable housing for very low-income senior citizens. The complex was constructed in 1988 under the U. S. Department of Housing and Urban Development Section 202 program and with a project-based Section 8 contract and consists of 25 efficiency units and 74 one-bedroom units. This rehabilitation will preserve 99 units of very low-income housing for the elderly in Jersey City.

The \$75,000 grant will be used to help fund construction costs for the Orchard Street Supported Housing project, which involves the construction of nine units of very low- and moderate-income housing. Four of the units will be handicapped-accessible, and all the units will be located in a moderate-income neighborhood. Case management, clinical and personal care services will be offered on an as-needed basis according to the skill, ability level and goals of each tenant. On-site employment training, financial literacy assistance and transportation will also be made available to tenants. The Provident Bank submitted the funding application for the Orchard Street Supported Housing project.

Additional funding for Roseville Commons will be provided by the Neighborhood Preservation Balanced Housing Program, the Special Needs Trust Fund, Newark HOME funds, Low Income Housing Tax Credits, and the Commission for the Blind and Visually Impaired. This project has also received a tax abatement from the City of Newark.

Additional funding for the Harborview Apartments will be provided by the U.S. Department of Housing and Urban Development in the form of a Federal Housing Administration-insured 223(f) mortgage and City of Jersey City HOME funds.

Additional funding for the Orchard Street Supported Housing project will be provided by a 2009 New Jersey Economic Development Authority award and a 2009 City of Elizabeth Home Improvement award.

These grants are part of a total of \$16 million in AHP subsidies that the Federal Home Loan Bank of New York has awarded in conjunction with the approval of the second competitive application round of 2009. The grants announced today will help to finance the creation of 37 housing projects that will generate 1,901 units of affordable housing in New Jersey, New York, Maryland and Pennsylvania. In August 2009, the Federal Home Loan Bank of New York awarded grants for the first application round of 2009 totaling \$16 million to fund 39 housing projects that will generate 1,545 units of affordable housing. For more information on these grants, please visit www.fhlbny.com/news/pressrelease.htm.

The Federal Home Loan Bank's Affordable Housing Program, created in 1989, provides member community lenders with direct subsidies, which are passed on to qualified households through a sponsoring local non-profit organization. AHP financing is combined with other funding sources to create housing for moderate-, low- and very-low-income families. Program awardees receive this funding through semi-annual competitive rounds. Each competing project must be sponsored by a financial organization that is a member of the Federal Home Loan Bank in partnership with a community-based sponsoring organization.

RSI Bank

RSI was incorporated on February 19, 1851, and it opened its doors to the public on March 12, 1851. As one of New Jersey's oldest financial organizations, RSI has endured and even thrived through challenging periods in our country's history including the Civil War, World War I, World War II, the Great Depression of the 1930's and the banking crisis of the 1980's, when U.S. banks were failing at record rates. Our capital strength along with the support of the community we serve, has allowed RSI Bank to remain a fiscally solid provider of financial services and products. Our mission has changed little since 1851, which is, "to provide quality financial products and services at fair and reasonable prices to the community we serve."

With a foundation based upon honesty and integrity, we have always attempted to provide our customers with quality products at fair prices, while providing them with the courtesy and professionalism they have a right to expect. With a proud history and reputation for building solid relationships, we look forward to meeting you and serving your financial needs.

For additional information please call the Corporate Communications Department at 732.587.1515, or visit us on the web at RSIbanking.com.

Federal Home Loan Bank of New York

The Federal Home Loan Bank of New York is a Congressionally chartered, \$110 billion, wholesale Bank. It is part of the Federal Home Loan Bank System, a national wholesale banking network of 12 regional, stockholder-owned banks. The Federal Home Loan Bank of New York serves 330 community lenders in New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands. The mission

of the Home Loan Bank is to advance housing opportunity and local community development by maximizing the capacity of community-based member-lenders to serve their markets.

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This report contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. These statements may use forward-looking terms, such as "projected," "expects," "may," or their negatives or other variations on these terms. The Bank cautions that, by their nature, forward-looking statements involve risk or uncertainty and that actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate, or prediction is realized. These forward-looking statements involve risks and uncertainties including, but not limited to, regulatory and accounting rule adjustments or requirements, changes in interest rates, changes in projected business volumes, changes in prepayment speeds on mortgage assets, the cost of our funding, changes in our membership profile, the withdrawal of one or more large members, competitive pressures, shifts in demand for our products, and general economic conditions. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.