

CONTACT:

John Byczkowski, FHLBank Cincinnati
513-852-7085 (office) or 513-382-7615 (cell)

FOR IMMEDIATE RELEASE

September 25, 2009

**FHLBANK CINCINNATI AWARDS \$165,000 IN NASHVILLE
FOR AFFORDABLE HOUSING, FORECLOSURE RELIEF
Four grants for \$650,620 also awarded for affordable housing**

Cincinnati, OH (September 25, 2009) –The Federal Home Loan Bank of Cincinnati awarded a \$165,000 grant for mortgage counseling and foreclosure mitigation, extending its “Preserving the American Dream” program that has already helped more than 80 families in the Nashville area avoid foreclosures. In addition, the FHLBank awarded four grants totaling \$650,620 to support four affordable housing projects.

The \$165,000 in private funding to battle foreclosures was awarded to six financial institutions led by Pinnacle National Bank, and Woodbine Community Organization in Nashville, for homeowners in 17 counties in the Nashville area and Central Tennessee. In addition to Pinnacle, the participating financial institutions are Citizens Bank, Community Bank & Trust, Fifth Third Bank, U.S. Bank and Volunteer State Bank. This same consortium was awarded \$200,000 by the FHLBank in 2008.

“We believe that with counseling and a little bit of money, many families can avoid foreclosures and remain in their homes,” said Federal Home Loan Bank of Cincinnati President David Hehman. “Pinnacle, Woodbine and all our partners have proven that to be true. The key is taking action early, and taking advantage of counseling.”

The FHLBank in 2010 will celebrate the 20th anniversary of its Affordable Housing Program, a congressional mandate to devote 10 percent of its annual profits to affordable housing. Preserving the American Dream is a voluntary program created by the Board of Directors, outside of the FHLBank’s affordable housing obligation. The FHLBank created the new program in 2008, to help member financial institutions assist their communities in fighting foreclosures.

“Pinnacle is extremely proud of our ongoing partnership with the Federal Home Loan Bank of Cincinnati,” said Pinnacle CEO Terry Turner. “Providing affordable housing has been the cornerstone of our community involvement since we were founded nine years ago. Working with a variety of community partners, since 2003 we have helped leverage \$3.75 million in FHLB grants to \$28.9 million, resulting in over 400 homes for low-income households. The new grants for 47 units along with the funds for helping people in crisis situations allow us to continue this important work in the most challenging economic time most people have ever faced.”

Through this program, up to \$3,500 is made available to help a homeowner receive foreclosure prevention counseling or benefit from other foreclosure mitigation steps. This funding is made available through FHLBank member financial institutions to qualifying nonprofit housing counseling agencies that provide foreclosure/loss mitigation counseling services in the Fifth District.

Last year’s grant helped more than 80 families avoid foreclosure. “The need has not dropped off,” said Cathie Dodd, Executive Director of Woodbine Community Organization. The first wave of homeowners seeking counseling had mortgages they were unable to handle financially, she said. Now, more homeowners have lost their jobs and fear losing their homes. “It’s not just low-income people. It’s happening to everybody,” Ms. Dodd said.

One who has been helped by Preserving the American Dream is Elizabeth West of Nashville. After losing her second job, she fell behind on her mortgage payments. “I came to the Woodbine Community Organization for assistance, and I received counseling and assistance with creating a crisis budget,” she said. “With these tools and rescue funds I was able to bring my payments current. I can’t tell you how important coming to the community center has been for me.”

In addition, the FHLBank has also awarded four grants to Pinnacle National Bank to help create 47 units of affordable housing in the Nashville area:

- A \$204,952 Affordable Housing Program grant to help construct nine single-family homes in Franklin, Tenn., for very low and low-income first-time homebuyers, two of whom have special needs. The grant was awarded to Pinnacle National Bank of Nashville, for the benefit of Habitat for Humanity Williamson County, Brentwood, Tenn. Financing for the \$1.2 million Beasley Place project includes \$16,275 in state and local government grants, a homebuyer down payment of \$18,000, fundraising of \$540,000, cash contributions from Pinnacle and Williamson County Habitat, donated materials, and the \$204,952 AHP grant. Residents will form a homeownership club.
- A \$195,837 Affordable Housing Program grant to help construct eight single-family homes in Wilson County, Tenn., for very low-income first-time homebuyers, two of whom have special needs and two of whom will have been homeless. The grant was awarded to Pinnacle National Bank of Nashville, for the benefit of Habitat for Humanity of Wilson County, Lebanon, Tenn. Financing for the \$630,950 project includes cash contributions from Pinnacle and Wilson County Habitat, fundraising of \$240,000, and the \$195,837 AHP grant. Residents will receive homeownership counseling.

- A \$149,831 Affordable Housing Program grant to help construct 20 single-family homes in Davidson County, Tenn., for very low-income first-time homebuyers, 10 of whom have special needs and five of whom will have been homeless. The grant was awarded to Pinnacle National Bank of Nashville, for the benefit of Nashville Area Habitat for Humanity. Financing for the \$2.4 million project includes a \$255,000 federal Self-help Homeownership Opportunity Program grant, a \$1.2 million foundation grant, a cash contribution from Pinnacle, a down payment by the homebuyers, donated materials, and the \$149,831 AHP grant. Residents will have access to credit and budget counseling, and will form a homeownership club.
- A \$100,000 Affordable Housing Program grant to help rehab a 10-unit multifamily building in Nashville for very low-income special needs tenants. The grant was awarded to Pinnacle National Bank of Nashville, for the benefit of the Park Center of Nashville. Financing for the \$403,500 Germantown Apartments project includes \$150,000 in state and local government grants, a \$150,000 federal HOME grant, cash contributions from Pinnacle and Nashville Habitat, and the \$100,000 AHP grant. Residents will have access to credit and budget counseling, and will form a tenant organization.

In all, the FHLBank awarded 26 Affordable Housing Program grants totaling \$6.6 million in Tennessee, to help create 319 units of affordable housing. A complete list of the grants is available at the FHLBank's Web site, www.fhlbcin.com.

The Federal Home Loan Bank of Cincinnati is an \$80 billion, triple-A rated regional wholesale bank providing financial services for residential housing and economic development to 739 member financial institutions located in the Fifth FHLBank District of Kentucky, Ohio and Tennessee. The FHLBank System, including 12 district FHLBanks, was chartered in 1932 by the U.S. Congress to promote housing finance but is wholly owned by its member institution stockholders and does not use taxpayer dollars.

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