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**FEDERAL HOME LOAN BANK OF NEW YORK**  
**AWARDS \$2 MILLION IN AFFORDABLE HOUSING GRANTS IN TRENTON**  
*-Two projects will create or rehabilitate 175 units of affordable housing-*

Trenton, New Jersey – The Federal Home Loan Bank of New York announced today the awards of a \$1,285,367 grant to Helping Arms, Inc. to help finance the Escher SRO Project, which will rehabilitate 100 units of housing for homeless individuals; and a \$760,000 grant to the Trenton Housing Authority to help finance the Carl Miller Homes, Phase I project, which will redevelop a former public housing project to create 75 units of housing for low- and very low-income families. Home Loan Bank members Metuchen Savings Bank and First Choice Bank submitted the applications for the funding.

“Safe, decent and affordable housing is vital not only to the stability of our economy, but our communities and families, as well,” said Alfred DelliBovi, president and CEO of the Federal Home Loan Bank of New York. “The Federal Home Loan Bank of New York is proud to offer this funding to continue to support those who strengthen the foundation of this cornerstone of the American Dream. We thank all of our partners – the local lenders, the housing groups and our elected officials – for their continued support of the Affordable Housing Program, and their work towards revitalizing our country’s housing sector.”

“We are proud to partner with the Federal Home Loan Bank of New York to award this funding to Helping Arms,” said Kenneth Totten, Vice President, Metuchen Savings Bank. “Metuchen Savings Bank is committed to supporting affordable housing efforts across the Garden State, and this grant will help preserve 100 supportive and affordable homes for those in Trenton who need it most.”

The \$1,285,367 grant for the Escher SRO Homeless Housing Program project will help fund the rehabilitation of 100 units of housing for homeless individuals. In order to preserve the housing, the building will have to undergo significant structural repairs in addition to replacement of the heating system. Preservation of this housing will allow the sponsor to continue to provide housing and on-site case management and supportive services to enable the residents to become independent. Additional financing will be provided by Regional Contribution Agreement funds and the Thrift Institutions’ Corporation Community Investment Corporation. Metuchen Savings Bank submitted the application for the AHP funding for this project.

The \$760,000 grant for the Carl Miller Homes project will help fund the redevelopment of a former public housing project, which involves the construction of 75 housing units for low- and very low-income families. The City of Trenton and the Trenton Housing Authority have forged a partnership to redevelop Carl Miller Homes and the surrounding neighborhood. The project is located within a 10-minute walk of the renovated train station and will create a “transit village” for the City’s Transit-Oriented Development plan for the area. Additional funding will be provided by Low Income Tax Credits, the New Jersey Housing and Mortgage Finance Agency, Regional Contribution Agreement and HOME funds from the City of Trenton, and HOPE VI and Replacement Housing Factor funds from the Trenton Housing Authority. First Choice Bank submitted the application for the AHP funding for this project.

The grants are part of \$33.6 million in Affordable Housing Program subsidies that the Federal Home Loan Bank of New York will award as its 2011 AHP grant round. In total, these grants will help to finance 57 housing projects which will create or preserve 2,837 units of affordable housing, including more than 2,200 units of very low-income housing, in New Jersey, New York, Maryland and Pennsylvania. The Federal Home Loan Banks have distributed \$4.3 billion in AHP funds since 1990. At the Federal Home Loan Bank of New York, the AHP has supported more than 1,300 projects with grants of more than \$425 million, creating nearly 59,000 units of affordable housing and generating an estimated \$8.2 billion in total development costs. For more information on today’s grants, please visit [www.fhlbny.com/news/pressrelease.htm](http://www.fhlbny.com/news/pressrelease.htm).

The Federal Home Loan Bank System’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.

#### **Federal Home Loan Bank of New York**

The Federal Home Loan Bank of New York is a Congressionally chartered, 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.

#### **Metuchen Savings Bank**

Metuchen Savings Bank, chartered as The Metuchen Building and Loan Association in 1897, changed in 1960 to The Metuchen Savings & Loan Association. Our Charter changed again in 1993 to Metuchen Savings Bank when commercial accounts were introduced. For years we have maintained our reputation as a responsible lender...putting people in their dream homes, not in debt. The Bank has grown and prospered over the years and is proud of its long history of strength, stability and service to Metuchen and the surrounding communities of Edison and Woodbridge. We are members of the FHLB system and lend throughout the state of New Jersey. Our financial institution is all about taking care of Main Street, not Wall Street and is well-positioned to meet the challenges of the future.

#### **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.