

Federal Home Loan Bank of Boston

# Results

VOLUME IX / ISSUE 1 / 2016

## Creating Jobs, Building Housing

**New Bank programs provide \$30 million to fuel economic growth and affordable housing.**

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The mission of the Federal Home Loan Bank of Boston is to provide highly reliable wholesale funding, liquidity, and a competitive return on investment to its member financial institutions in New England. We strive to consistently develop and deliver the best financial products, services, and expertise that support housing finance, community development, and economic growth, including programs targeted to lower-income households.

**FHLB**Boston

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# From the President Edward A. Hjerpe III, President and CEO



THE YEAR 2015 WAS TRULY extraordinary. The Bank recorded its highest annual net income ever and allocated a record \$32.3 million to the 2016 Affordable Housing Program as we marked the 25th anniversary of the program. In addition, retained earnings reached a record \$1.1 billion during the course of the year, and the board increased the Bank's quarterly dividend to a formula based on the approximate daily average three-month LIBOR yield plus 300 basis points.

This success reflects the level of business that members conduct with the Bank. In particular, many took advantage of our low daily and specials rates, and accessed \$3.8 billion in long-term advances in anticipation of rising rates and the eventual 0.25 percent hike in fed funds announced in December.

Last year's milestones are also the culmination of much hard work by the board of directors, our management team, and staff throughout the Bank. I am pleased to say that we enter 2016 in a position of strength as we work to fulfill our mission in the year ahead.

We implemented our Excess Stock Management Program. This initiative was designed to manage the level of Bank stock to ensure that we are prudently and efficiently capitalized at all times and that the allocation of excess stock ownership is equitable among members.

In addition, the Mortgage Partnership Finance® (MPF®) program launched three new products: MPF Direct™, for high-balance, fixed-rate mortgage loans; MPF 35™, which offers a new credit risk-sharing feature; and MPF Government MBS™, for fixed-rate mortgage loans insured or guaranteed by government agencies.

As a cooperative, we always look for ways to add value to your membership.

Our board challenged us to do more to stimulate economic development and affordable housing in the six New England states. Just weeks ago, we announced two new programs, one targeted to members and the other for our region's housing finance agencies, in response to that challenge. *Jobs for New England* is designed to help members finance job creation for small businesses and community development. The second program, *Helping House New England*, assists housing finance agencies and their efforts to create much needed affordable housing in our region. We have committed up to \$5 million a year for the next three years to fund each program, for a total of \$30 million. The funding will be used to write down the interest rates of qualifying advances to zero percent, and we look forward to the positive impact JNE and HHNE will have on our region.

Also in January, the Federal Housing Finance Agency, our regulator, issued its final rule establishing membership standards for the Federal Home Loan Banks. If you recall, more than 1,300 comment letters, including more than 130 from FHLB Boston members and stakeholders, were sent to the FHEA. The overwhelming majority voiced their opposition to the proposal that would have potentially reduced the availability of our funding to meet the needs of the communities you serve. We are pleased that the final rule, released on January 12, dropped its proposal to force FHLBank members to hold a certain percentage of assets on an ongoing basis in order to preserve their membership. The rule also excludes captive insurers from FHLBank membership.

At year-end, we bid farewell to Steve Closson of Androscoggin Savings Bank who served on the board for the past

12 years, including the past two as vice chair. In January, we welcomed John Witherspoon, president of Skowhegan Savings Bank, as Maine's industry director.

Finally, we make it a point to reach out to you throughout the year, both to keep you informed about developments at the Bank and to learn about your challenges so we may develop solutions and strategies to help you succeed. I call your attention to four widely attended events coming up in the months ahead. Our Annual Shareholders Meeting will be held on April 22, at the Boston Newton Marriott in Newton, Massachusetts, where we will welcome Mark Halperin as our keynoter. Mr. Halperin is the managing editor of Bloomberg Politics and host of Bloomberg TV's *With All Due Respect*. He has covered every American election since 1988, and is a regular contributor to MSNBC's *Morning Joe* and the most frequent guest in the history of *Charlie Rose*. As the campaign season heats up, we look forward to his insight.

The afternoon and evening before, also at the Boston Newton Marriott, we will hold our annual CEO/CFO Roundtable discussion and dinner. This provides an opportunity to meet with bankers from across New England and discuss a variety of issues of interest to all.

We will also host two Member Outreach meetings and golf tournaments, the first on July 11 at the Rhode Island Country Club in Barrington, Rhode Island, and the second on October 4 at the Hartford Golf Club in West Hartford, Connecticut. Invitations will be sent as we get closer to the events.

As always, I thank you for your support. We look forward to helping you make the most of your membership in 2016. ■

"Mortgage Partnership Finance," "MPF," "MPF 35," "MPF Government MBS," and "MPF Direct" are registered trademarks of the Federal Home Loan Bank of Chicago.

# Bank Provides \$30 Million to Fuel Economic Growth and Affordable Housing

IN JANUARY, THE FEDERAL HOME Loan Bank of Boston announced two new funding programs designed to boost the regional economy by encouraging job creation and adding to the supply of safe, decent, affordable housing in the area.



The Bank's *Jobs for New England* program is a three-year, \$15 million subsidy program dedicated to supporting job growth and economic development throughout New England. Funded by the Bank's earnings, the subsidy will be used to write down interest rates to zero percent on Classic advances that finance qualifying loans to small businesses.

JNE will provide up to \$5 million per year through 2018 on a first-come, first-served basis. A maximum of \$250,000 of interest subsidy per FHLB Boston member will be available each year. Additionally, JNE advances will not be subject to any

prepayment fees. For participants in the program, for example, the estimated interest-rate subsidy on a five-year \$3 million Classic advance would be \$250,000, depending on current rates.

JNE-funded advances must support small businesses in New England that create and/or retain jobs, or otherwise contribute to overall economic development activities. Examples include using funds to support the working capital, expansion, or financing needs of a small business.

Members must demonstrate that job opportunity and retention eligibility requirements include creating at least one job for every \$25,000 disbursed or that jobs would be lost in the community if the loan were not made. Eligible economic development outcomes include improving, diversifying, or stabilizing the economy of a community; stimulating new business development; revitalizing a business district or community; expanding a small business owned and controlled by women, veterans, or minorities; or upgrading facilities to meet health, safety, and environmental requirements.

A borrower must qualify as a small business, as defined by the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 120 504. Members will be required to submit an online application demonstrating that the small business loan will be used to support job opportunities and retention or economic development.

"The JNE will benefit communities by providing a lower cost of capital to eligible small businesses, thereby reducing their operating costs and increasing their chance for success," says Kenneth Willis, first vice president/director of housing and community investment, at the Bank. "With lower cost funding, businesses will have greater opportunity for expansion and additional business, which could lead to job growth and overall economic development."

The Bank's second new program, *Helping to House New England*, is a three-year, \$15 million subsidy program dedicated to expanding affordable rental and homeownership financing through the six New England Housing Finance Agencies.



The HFAs share the Bank's mission of providing funding for the affordable rental and homeownership needs of low- and moderate-income households.

Tailored for HFAs, the subsidy program will be used to write down interest rates to zero percent on Classic advances to help expand affordable rental and homeownership initiatives. For example, \$500,000 of an interest-rate subsidy could result in approximately \$6 million in a five-year HHNE advance or \$60 million in a one-year HHNE advance.

HHNE will provide \$5 million per year through 2018 allocated on an estimated per-capita basis to each of the New England HFAs. Additionally, HHNE advances will not be subject to any prepayment fees.

HHNE-funded advances must support targeted initiatives serving individuals and families who qualify for loans under the HFA's income guidelines for comparable loans. Examples of potential uses include, but are not limited to, short-term construction lending, workforce housing, deferred loan programs for homeownership, multi-family loan refinance, and rental housing expansion, particularly in areas with job growth that exceeds the supply of rental units.

HFAs will be required to submit an online application describing how the HHNE advance will be used to meet one of the above requirements.

"We have full confidence that the HFAs will use their creativity to develop programs that will have a real impact on the communities they serve," says Mr. Willis. "Examples include capitalizing a specialized revolving loan fund to make low-cost construction loans, financing for manufactured housing parks, predevelopment financing, or term lending for small multi-family rental housing."

Mr. Willis notes that housing finance agencies are designated as Housing Associates and are eligible to borrow from the Bank. "They are essentially the affordable housing banks for their respective states, providing critical resources for homeownership and rental housing," he says. "Their missions are closely connected with the Bank's affordable housing mission, which makes them natural partners." ■

# Bank Funding Supports Malden Bakery Expansion

by Robert O'Malley

WHEN HOFF'S BAKERY MOVES INTO its new facility in Malden, Massachusetts, in April, owner Vincent Frattura plans to significantly ramp up production and add at least 20 new employees per year to his staff for the next three to five years.

For Mr. Frattura, expanding Hoff's from a 30,000 square-foot space in Medford to its new 100,000 square-foot, state-of-the-art facility in Malden represents a major milestone in his company's steady growth and success. It also has the support of the City of Malden and its mayor since it will revive a vacant manufacturing building and create new jobs in the community.

Founded more than 30 years ago in a 1500-square-foot, former cheesecake bakery in Medford, Hoff's set out to produce packaged pizza. "I had worked in a few bakeries and wanted to do something on my own," says Mr. Frattura, whose bakery career began at the age of 15 in — as he puts it — "the school of hard knocks."

And while his pizza business was initially successful, Mr. Frattura soon realized that pizza was a competitive, price-sensitive commodity while cheesecake was a quality-driven product. To supplement his pizza business, Hoff's began producing cheesecake and other dessert items for hotels and restaurants. Soon his customers were clamoring for more items and praising the high quality of the bakery's products.

"So we slowly transformed out of pizza and went full tilt on the dessert end," Mr. Frattura says. "What we produce now are gourmet desserts — different kinds of cheesecake, carrot cake, chocolate cake, and mousse."

A large part of Hoff's business today is supplying gourmet bakery products to the area's supermarkets. Because food quality and safety standards are high, "you need to operate at a certain level," to get a footing in supermarkets, says Mr. Frattura. "If you don't play at that level you don't make it in this industry."

Mr. Frattura says a big part of the bakery's success is that its repeat sales at supermarkets are very strong. Also important is the company's focus on innovation. "I have always had a passion



The expanded Hoff's Bakery under construction in Malden, Massachusetts.

for baking and enjoy being creative, which is a resource to our customers," he says. "We try to be cutting edge — innovative with new product."

Mr. Frattura says Hoff's expansion represents "a very significant move" that is also capital intensive. "It takes ovens and conveyors, equipment lines and freezers," he says. "It takes a lot of money to do that, so you need good banking partners."

To make the expansion possible, Mr. Frattura borrowed more than \$17 million from member Brookline Bank and invested about \$2 million of his own money. "I've been with Brookline Bank for a good 20 years, and at every step of the way they have been able to see my growth and see that we were solid to go to the next level," he says. "John Sergi and Bill MacKenzie have worked with me at a very personal level to advise me when I needed it."

"At the end of the day they came through with the funds to allow me to make this move up — otherwise I would never have been able to do this," he says. "It's important to have long-term banking relationships because sometimes everything isn't black and white. When the other side knows you and the intricacies of your business, it removes the insecurities of supporting a deal like this."



“We provided \$17 million in financing with a first mortgage of \$10 million through MassDevelopment,” says John Sergi, regional director/senior vice president at Brookline Bank. “We gave him \$3.4 million to finish up the improvements in the property, another \$3.6 million for equipment through the SBA 504 Program, and a line of credit for working capital.”

Mr. Sergi says that the MassDevelopment loan provides Brookline with a project-specific tax-exempt status that allows it to reduce a customer’s interest rate. “It’s a fixed rate for 10 years and is based on a 25-year amortization,” says Mr. Sergi. “Passing on the lower rate provides our customer with more stability in cash flow as he goes through this growth phase.”

Contributing to the success of Brookline Bank’s financing strategy was a \$15 million Federal Home Loan Bank of Boston Community Development advance. “Brookline was able to offer competitively priced funding to Hoff’s Bakery because of FHLB Boston’s CDA Extra program,” says Alex Fopiano, senior treasury analyst at Brookline Bancorp, Inc.

“Brookline Bank uses Federal Home Loan Bank of Boston funding to help make fixed loans to growing companies like Hoff’s Bakery,” says William MacKenzie, senior vice president/commercial lending at Brookline Bank. “It allows us to provide more favorable terms to borrowers so that they are more likely to expand their plant and equipment, as Hoff’s Bakery is doing.”

“Hoff’s has strong cash flow to service all of that debt,” adds Mr. Sergi. “So it’s basically a construction loan that will term out into a conventional mortgage.

“The Frattura family has a great reputation in the industry,” he says. “This is a fantastic story from a financial standpoint because the business has been in an uphill spiral for the last 12 years, with sales, revenue, and net income increasing year after year.”

Mr. Sergi sees the company eventually increasing its sales to \$50 million or more in the years following the expansion. “We’ve been banking the company from when they had sales of \$3 million to the present when they have sales in excess of \$17 million,” he says. “We’re relationship driven, and it has been a privilege to bank them through their growth all these years.” ■



**Top:** From the left, Vincent Frattura, Stephen McHugh (FHLB Boston relationship manager), John Sergi, and William MacKenzie tour the new Hoff’s Bakery in Malden. **Bottom:** Workers at Hoff’s Medford site.

# BANK ADVANCES SUPPORT UNIQUE MORTGAGE PROGRAM FOR FIREFIGHTERS

by Robert O'Malley

When Boston firefighter Bryan O'Connor and his wife bought their first home earlier this year, they turned to the Boston Firefighters Credit Union for a mortgage.

Like generations of firefighters before him, Mr. O'Connor relied on the credit union for many of his financial needs. He had a savings and checking account there and turned to the institution for help sorting out his finances after leaving the military.

A Navy veteran who had served in the Persian Gulf during the Iraq War, Mr. O'Connor followed his father onto the fire department and as a member of the credit union. "The credit union works with civil servants and has been very good to all of us," he says. "They were good to my father, who is a lieutenant on the Fire Department; they make it easier because they see everything — they know that for the past three years you've been earning this amount of money and where your raises are coming from."

Mr. O'Connor and his wife Caitlin were renting an apartment in Boston when they decided it was time to become homeowners. "Caitlin graduated from nursing school and got a job at Tufts Medical Center," says Mr. O'Connor. "And then we had our daughter and really wanted to move forward into homeownership."

To make the purchase affordable, the O'Connors took advantage of a special zero down-payment loan program created by the Firefighters Credit Union designed to address the special mortgage needs and circumstances of Boston firefighters.

"I can't say we're a single-sponsor credit union anymore because we're not, but we are very focused on who we do business with and understand that public service model," says John

"Bernie" Winne, president and chief executive officer of member Boston Firefighters Credit Union. "This is where we are different — we're still old fashioned in that way."

Founded some 70 years ago to serve the financial needs of Boston firefighters, the credit union today also serves the Boston Police Department, the Suffolk County Sheriff's Department, and the Professional Firefighters of Massachusetts. "We're very tight, particularly with the Boston Fire Department and the Boston Police Department," says Mr. Winne. "We know the command staffs and meet union leaders from the fire and police departments."

The zero down-payment mortgage program was developed following the successful launch of the credit union's earlier Rescue Loan Program, which provided refinancing for firefighters whose homes lost value following the credit crisis of 2008 and 2009. "We always look for unique ways to service our membership," adds Mr. Winne. "And because we know our membership as well as we do, we're willing to do some things that a typical financial institution wouldn't do."

In developing the zero down-payment mortgage program, the



John “Bernie” Winne (left) with the O’Connor family in Dorchester.

credit union recognized that Boston firefighters are required by contract to live in Boston for the first 10 years of their employment and that a high percentage of them are also veterans.

“So we had this influx of young veterans who were required by contract to live in the city and we have a very difficult housing problem in Boston,” says Mr. Winne. “The housing prices in the most desirable neighborhoods have just been going crazy the past couple of years.”

Mr. Winne says that while many of these firefighters are eligible for Veterans Administration loans, he found that many were frustrated with the appraisal process associated with them. “A guy may agree to buy a house for \$400,000, but the appraiser comes in at \$365,000,” Mr. Winne says. “They didn’t feel they had a place where they could sit down and tell their story, whereas with our transitional lend-

ing products you can sit down and tell your story.

“So we put all of this together and said, why can’t we do a VA look-alike program?” Mr. Winne says. “The VA look-alike is a fixed-rate mortgage with no down-payment requirements, but like the rescue loan that we did years ago we’re being very careful in the underwriting.”

Mr. Winne says that borrowers need to have good credit and income to support the loan. “The rationale for us is that if we made an unsecured loan for \$20,000 or \$30,000 — which we do — why wouldn’t we allow them into a property with no down payment?” he says. “The risk to us isn’t any more significant than the risk of that personal loan.

“We thought it was a good opportunity for us to step up and help these guys provide a solution that sort of exists in the VA market but not with the local touch, with

the amount of hand holding we are well known for doing with our members,” he says.

“Almost all of these loans are made to Boston firefighters and police officers, and those are jobs that for all intents and purposes are recession proof,” Mr. Winne notes. “These guys are union represented, and you don’t find a lot of people who make a voluntary decision to leave the Boston Fire Department or the Boston Police Department.

“The program became so successful with us that we probably had more loans in our pipeline than we ultimately wanted on our balance sheet,” he says. “But unlike 80 percent and 90 percent loan-to-value, you can’t turn around and sell them to Fannie Mae. So what do you do?”

Mr. Winne says the credit union was comfortable with the credit risk of the loans, but a little nervous about the interest-



rate risk, “which is where the Federal Home Loan Bank of Boston became a great partner for us,” he says.

“Maria Nichols (FHLB Boston relationship manager) comes in a couple of times a year to say ‘Hi, is there anything I can do for you?’” Mr. Winne says. “And out of one of those conversations she put me in touch with Kevin Martin (FHLB Boston’s member financial strategist).”

The credit union borrowed \$3 million from FHLB Boston last year and plans to borrow another \$3 million in the first quarter of 2016. “We have a good amount of liquidity, so other than for interest-rate-risk mitigation I wouldn’t be borrowing,” Mr. Winne says.

“When Bernie mentioned the residency requirement, my next comment was, ‘You’ll probably want to fund out closer to 10 years, versus our typical member who would fund those loans five years,’” Mr. Martin says.

Mr. Martin offered a series of strategies with terms from five to nine years. “They were a combination of our Classic advances and amortizers,” Mr. Martin says. “Bernie went with a seven-year Classic, an eight-year Classic, and a nine-year Classic, so his funding is very long.”

“We borrowed \$3 million from the Bank, but we were working on a \$6 or a \$7 million strategy, so we were using a 50 to 55 percent mix of our funds with a 45 to 50 percent mix of FHLB Boston funds,” Mr. Winne says. “We felt really comfortable committing our funds on the short end of the strategy and we funded the long end with FHLB Boston money.”



The belief that many firefighters will sell their homes and move to suburban towns when their 10-year residency requirement expires contributes to the structure of the program. “I don’t know if we would be doing this if the residency thing wasn’t in play,” Mr. Winne says. “If there was a possibility for a lot of these loans extending out 30 years or 20 years or even 15 years, I don’t know if I would be as comfortable with the strategy.

“And if I didn’t know the background of the people who were coming in the way that I do, I wouldn’t be able to be as flexible,” he says. “This is a program unique to Boston Firefighters Credit Union.” ■

**Top:** View of the Dorchester neighborhood from the Boston Firefighters Credit Union headquarters. **Bottom:** The Boston Firefighters Credit Union.

# IMAP Provides Important Resource for Insurance Members and Bank



Jason Hwang, vice president/director, planning and research, addresses the IMAP at FHLB Boston.

IN OCTOBER, THE FEDERAL HOME Loan Bank of Boston held the second annual meeting of the Insurance Member Advisory Panel at the Bank.

Composed of eight insurance company executives, the panel meets to provide consultation, opinion, and recommendations regarding FHLB Boston's business solutions and associated processes, policies, and delivery. The Bank plans to transition other insurance company executives onto the panel to broaden the scope of feedback and member engagement.

The October event included a variety of discussions related to insurance companies' use of Bank membership. "For many years the Bank had an advisory panel for depository institution members," notes Matt Stewart, vice president/relationship management at the Bank. "And we also realized it was important to provide our insurance company members with additional support by creating a similar panel for them.

"Receiving feedback from our members is crucial to what we do," adds Mr. Stewart. "It lets us know what we are doing well and areas where we need to improve. The panel setting is ideal for honest and effective communication."

John Brabazon, chief financial officer at SBLI of Massachusetts, said serving on the panel allows him to explore new strategies for

using Bank funding. "I like coming to a session to see how we can utilize the Home Loan Bank," he says. "I have also built some good relationships as a result of these meetings."

Tom Alighieri, treasurer at Norfolk and Dedham Group in Dedham, Massachusetts, says serving on the panel and interacting with Bank employees helps him make the most of Bank membership.

"The Bank shows its commitment to its members by having these types of meetings," adds IMAP member Patrick J. Dolan, senior portfolio manager at Mapfre USA, of Webster, Massachusetts. "I feel valued as a member knowing that they are listening."

"It is especially good to hear from the insurance company members," says Mr. Stewart. "We want to make sure the Bank is effectively supporting their funding needs and helping them recognize areas where Bank membership can add value to their day-to-day functions."

During the last two years the Bank has added 16 new insurance company members, bringing the total to 41. "This is a growing segment and one that the Bank will continue to emphasize," he says. "It's important to support all of our members; the IMAP lets us learn more about this segment." ■

# What You May Not Know About FHLB Boston

by Jason Hwang

AT RECENT MEMBER OUTREACH MEETINGS in Barrington, Rhode Island, and West Newton, Massachusetts, Susan Elliott, executive vice president/chief business officer at the Federal Home Loan Bank of Boston, led the audience through a live survey in which members answered questions about the Bank's products and services.

While members were familiar with certain aspects of Bank products and how they can be used effectively, their knowledge was less comprehensive when it came to distinguishing the less obvious differences between them.

For example, the majority of participants answered correctly that a five-year maturity was the most popular term for advances disbursed in 2015 with maturities of one year or greater. And most members also answered correctly that MPF 35 "offers the potential for higher credit-risk fee income to participants compared to MPF traditional," and "provides more credit protection initially than MPF traditional."

But the survey also revealed that the Bank could do a better job marketing its structured advance products and highlighting the differences between them. For example, the majority of members answered that the Member-option advance "offers the potential to receive a market-value payment from the Bank if you decide to prepay," but the correct answer was the Symmetrical Prepayment advance. The Member-Option advance allows members to prepay without a fee, but it does not provide a market-value payment from the Bank.

Many audience members answered that the Corridor advance is a fixed-rate advance that adjusts lower in a rising-rate environment. But the Corridor is a floating-rate advance with an interest rate that, depending on strike rates, can stay flat even as LIBOR rises; it cannot adjust down. The correct answer was the Classic Plus Cap advance — a fixed-rate advance where the rate adjusts lower when LIBOR rises above the strike rate.

Member interest in structured advance products rose dramatically in the final quarter of 2015 as market volatility created opportunities for attractively priced special offerings on various types of structured advances, including the HLB-Option advance and the Flipper advance. As member interest in structured advance products continues to be high, the Bank will proactively market these products and explain how they may be part of an asset-liability strategy for member institutions. ■

*Jason Hwang is vice president/director, planning and research, at the Federal Home Loan Bank of Boston.*

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## Save the Dates

**April 22**

### **Annual Shareholders Meeting**

Boston Newton Marriott  
Newton, Massachusetts



Keynote speaker: **Mark Halperin**, managing editor of Bloomberg Politics and host of Bloomberg TV's *With All Due Respect*. He has covered every American election since 1988, and is a regular contributor to MSNBC's *Morning Joe* and frequent guest on *Charlie Rose*. Also coauthor of New York Times best sellers *Double Down: Game Change 2012* and *Game Change: Obama and the Clintons, McCain and Palin, and the Race of a Lifetime*.

**April 21**

### **CEO/CFO Roundtable Discussion and Dinner**

Boston Newton Marriott  
Newton, Massachusetts

**July 11**

### **Member Outreach Meeting and Golf Tournament**

Rhode Island Country Club  
Barrington, Rhode Island

**October 4**

### **Member Outreach Meeting and Golf Tournament**

Hartford Golf Club  
West Hartford, Connecticut

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# FHLB Boston



# A CHANCE FOR LIFE IN A COMMUNITY

by Robert O'Malley

**B**efore they moved into their new Stoughton neighborhood, the residents of the United Cerebral Palsy of MetroBoston group home were living in nursing homes.

Disabled by a brain tumor many years ago, one resident often spends her days shopping, attending church, and visiting the library in the nearby community. Her daughter comes by to visit on weekends. "A good day for me is to sit here and draw or read the Bible," she says.

Another resident lost her eyesight and mobility as a result of a brain disease. "I've gone through a lot in life and been in and out of the hospital," she says. "I went to bed one night and woke up blind."

Her two sisters, she adds, often come by to visit and recently purchased a van so they could take her on excursions into the community. "The girls here are very nice," she says. "We have a good time at meals, but we can also go to our rooms and make our phone calls privately."

Developed by United Cerebral Palsy of MetroBoston for people with acquired brain injury, the single-family home with rooms for four residents was built on a vacant lot with wheelchair accessibility and features designed for residents with brain injury.

"Finding wheelchair-accessible housing is very difficult," says Todd Kates, chief executive officer of UCP. "A lot of current property, especially in this part of the country, is not designed for wheelchairs.

"Roughly half the people we support have diagnosed cerebral palsy, but there are many other disabilities that we support as well," Mr. Kates says. "Our mission is to advance the independence of people with disabilities, and we do that through a variety of programs and services throughout Greater Boston."

A primary goal of the organization, he says, is to provide people with the opportunity to live and work in communities of their choice. "Nursing homes often provide high-quality care, but they really don't encourage people to do things in the community," he says. "When you live in a community-based program, you're able to go to the movies or the mall or a restaurant. A very strong part of our program is to take people out."

Supported largely by state funding, the UCP's Stoughton home was also the recipient of a \$219,100 Federal Home Loan Bank of Boston Affordable Housing Program grant through member Middlesex Savings Bank. "As a nonprofit we often rely on assistance from grants and fundraising to offset any of the costs we might not be able to manage ourselves," Mr. Kates says. "Receiving a grant of that size is obviously of enormous impact on what we were able to do here."

"The AHP definitely provides another tool for nonprofits who perhaps aren't able to provide the capital and equity that is needed for a project," says Deborah Colony, vice president at member Middlesex Savings Bank. "It opens doors for them."

The AHP definitely provides another tool for nonprofits who perhaps aren't able to provide the capital and equity that is needed for a project...It opens doors for them.



“Middlesex Savings Bank not only provided necessary construction financing to UCP, they became a committed partner,” says Christine Rogers, senior community investment manager at the Bank. “They understand the complexities of developing accessible housing and the nuances of financing projects with state operating subsidies.”

Mr. Kates says that group homes like the one in Stoughton were developed in response to a lawsuit filed on behalf of people with acquired brain injury. “The result of the lawsuit was that money would be available for people with acquired brain injury who had been placed in nursing homes inappropriately and wanted the opportunity to live in the community,” he says. “The state then put out contracts for agencies like ours to provide housing for people who wanted to relocate from nursing homes.”

Mr. Kates notes that there has been enormous growth over the last 20 years in developing housing for people with disabilities. The goal, he says, is to provide people with choices, and in a small group home residents have far more choices, even regarding the food they eat.



Our mission is to advance the independence of people with disabilities, and we do that through a variety of programs and services throughout Greater Boston.



“The AHP has seen a number of service agencies moving towards a model of providing services in a community setting,” Ms. Rogers says. “The AHP provides a critical resource to help non-profit organizations develop these specialized, and often expensive, residential units.”

“There’s a good chance we will be looking at other homes in the future,” says Mr. Kates. “There are still many people with disabilities living in nursing homes who might choose to live in a community rather than in a nursing home.”

Each resident of the Stoughton home has her own bedroom and access to a spacious living room, kitchen, and bathroom. “The residents are very proud of their home and the way it looks,” Mr. Kates says. “I think it’s important to emphasize the importance of quality of life. Our tag line is, ‘Life without limits for people with disabilities.’” ■

**Opposite page, top:** Deborah Colony, Christine Rogers, and Marcia Dobroth (chief financial officer at UCP) at the Stoughton group home.

**Opposite page, bottom:** A resident’s room at the home. **Above:** Todd Kates at the Stoughton home. **Right:** Program Director Melissa Foley in the home’s kitchen.



## Bank Announces 2015 AHP Awards

The Federal Home Loan Bank of Boston awarded more than \$16.3 million in grants and rate subsidies to fund 32 initiatives in the 2015 Affordable Housing Program. Applicants were awarded \$12.13 million in grants and a total of \$12.57 million in subsidized advances with advance subsidies of \$4.18 million. The awards will create or preserve 910 rental and 11 ownership units for very low-, low-, and moderate-income individuals and families. The Bank received 123 applications from 50 members in the 2015 round.

## 2015 Affordable Housing Program Approvals

### New London, Connecticut

Liberty Bank  
The Connection Fund Inc.  
16 rental units  
\$475,988 grant and subsidy,  
\$500,000 advance  
Saint Mary Place

### Pawcatuck, Connecticut

Liberty Bank  
Mutual Housing Association of South  
Central Connecticut, Incorporated  
d/b/a NeighborWorks New Horizons  
67 rental units  
\$857,829 grant and subsidy,  
\$900,000 advance  
Spruce Ridge Meadows

### Melbourne, Florida

Boston Private Bank & Trust Company  
Preservation of Affordable Housing, Inc.  
156 rental units  
\$905,157 grant and subsidy,  
\$1,444,000 advance  
Trinity Towers East

### Falmouth, Maine

Norway Savings Bank  
Avesta Housing Development Corporation  
39 rental units  
\$993,007 grant and subsidy,  
\$1,240,000 advance  
Blackstone Apartments

### Farmington, Maine

Franklin Savings Bank  
82 High Street Inc.  
26 rental units  
\$500,000 grant  
82 High Street Inc. – Phase 3 Apartments

### Portland, Maine

Bangor Savings Bank  
Avesta Housing Development Corporation  
25 rental units  
\$764,729 grant and subsidy,  
\$765,000 advance  
977 Brighton Housing First

### Presque Isle, Maine

Bangor Savings Bank  
Aroostook Band of Micmacs  
23 rental units  
\$350,000 grant  
Micmac Rehab Project #1

### Topsham, Maine

Bath Savings Institution  
Topsham Housing Authority  
8 rental units  
\$631,381 grant and subsidy,  
\$500,000 advance  
Pleasant Woods

### Westbrook, Maine

Gorham Savings Bank  
Westbrook Development Corporation  
38 rental units  
\$590,098 grant and subsidy,  
\$520,000 advance  
Larrabee Commons

### Yarmouth, Maine

Bath Savings Institution  
Yarmouth Senior Housing  
28 rental units  
\$415,000 grant  
Bartlett Circle Renovation

### Feeding Hills, Massachusetts

Citizens Bank, N.A.  
Soldier On, Inc.  
51 rental units  
\$500,000 grant  
Gordon H. Mansfield Veterans Village –  
Agawam

### Framingham, Massachusetts

Massachusetts Housing Investment  
Corporation  
Preservation of Affordable Housing, Inc.  
53 rental units  
\$999,978 grant and subsidy,  
\$1,343,500 advance  
Tribune Apartments

### Goshen, Massachusetts

People's United Bank National Association  
Hilltown Community Development  
Corporation  
10 rental units  
\$498,794 grant and subsidy,  
\$500,000 advance  
Goshen Senior Housing Project

### Great Barrington, Massachusetts

Berkshire Bank  
Construct, Incorporated  
11 rental units  
\$664,939 grant and subsidy,  
\$464,000 advance  
Forest Springs

### Southampton, Massachusetts

Pittsfield Co-Operative Bank  
Berkshire County Arc, Inc.  
8 rental units  
\$370,693 grant and subsidy,  
\$586,711 advance  
BCArc Affordable Housing

**Springfield, Massachusetts**

Eastern Bank  
 Better Homes, Inc.  
 75 rental units  
 \$500,000 grant  
 E. Henry Twiggs Estates – Phase I

**Vineyard Haven, Massachusetts**

Edgartown National Bank  
 Island Housing Trust Corporation  
 6 rental units  
 \$390,000 grant  
 Water Street Apartments

**West Barnstable, Massachusetts**

Cape Cod Five Cents Savings Bank  
 Habitat for Humanity of Cape Cod, Inc.  
 2 homeownership units  
 \$49,296 grant  
 Old Stage Road Community Housing

**Worcester, Massachusetts**

Avidia Bank  
 Worcester East Side Community  
 Development Corporation  
 8 rental units  
 \$384,100 grant  
 5-7 Forbes Street Affordable  
 Housing Project

**Hampton Falls, New Hampshire**

Meredith Village Savings Bank  
 Avesta Housing Development Corporation  
 24 rental units  
 \$988,114 grant and subsidy,  
 \$1,227,694 advance  
 The Meadows at Grapevine Run

**Harrisburg, Pennsylvania**

Citizens Bank, N.A.  
 Gaudenzia Foundation, Inc.  
 6 rental units  
 \$275,000 grant  
 DELTA Community Apartments

**Philadelphia, Pennsylvania**

Citizens Bank, N.A.  
 Gaudenzia Foundation, Inc.  
 24 rental units  
 \$500,000 grant  
 Tioga Family Center

**Charlestown, Rhode Island**

Coastway Community Bank  
 Women's Development Corporation,  
 Washington County Community  
 Development Corporation  
 44 rental units  
 \$588,192 grant and subsidy,  
 \$601,841 advance  
 Shannock Falls

**Newport, Rhode Island**

Citizens Bank, N.A.  
 Housing Authority of the City of Newport  
 38 rental units  
 \$500,000 grant  
 Park Holm Phase 3

**Pawtucket, Rhode Island**

Pawtucket Credit Union  
 Pawtucket Central Falls Development  
 Corporation  
 7 homeownership units  
 \$210,000 grant  
 Homeownership Program

**Providence, Rhode Island**

Bank Rhode Island  
 AS220  
 8 rental units  
 \$150,000 grant  
 AS220 at Empire

**Bennington, Vermont**

The Bank of Bennington  
 Bennington Area Habitat for Humanity  
 1 homeownership units  
 \$30,000 grant  
 North Branch Street Project

**Bradford, Vermont**

Wells River Savings Bank  
 Downstreet Housing and Community  
 Development, Inc.  
 21 rental units  
 \$746,399 grant and subsidy,  
 \$1,375,000 advance  
 Colonial Village Bradford

**Brattleboro, Vermont**

People's United Bank National Association  
 Housing Vermont, Brattleboro Housing  
 Authority  
 55 rental units  
 \$300,000 grant  
 Red Clover Commons

**Manchester Center, Vermont**

The Bank of Bennington  
 Bennington Area Habitat for Humanity  
 1 homeownership units  
 \$30,000 grant  
 Jennifer Lane Project

**Rutland, Vermont**

People's United Bank National Association  
 Housing Vermont  
 22 rental units  
 \$502,553 grant and subsidy,  
 \$200,000 advance  
 Hickory Street Phase III

**White River Junction, Vermont**

People's United Bank National Association  
 Twin Pines Housing Trust  
 20 rental units  
 \$660,826 grant and subsidy,  
 \$404,506 advance  
 Briars Housing

# THE LAST WORD

## FHLB Boston Around the Region



### SALEM POINT APARTMENTS, SALEM, MASSACHUSETTS

IN OCTOBER, NORTH SHORE COMMUNITY Development Coalition held a ribbon-cutting ceremony for the Salem Point Apartments initiative. The recipient of a \$400,000 Affordable Housing Program grant, Salem Point Apartments included the recapitalization, refinance, and rehabilitation of an expiring Low Income Housing Tax Credit project to preserve 11 scattered-site buildings and 77 units of rental housing in Salem. ■



**Clockwise from top left:** Ribbon-cutting participants tour the Salem Point neighborhood and a new community mural. Mickey Northcutt, chief executive officer at North Shore Community Development Coalition, and Tobi Goldberg, senior community investment manager at FHLB Boston. Christopher Scoville, senior vice president at Eastern Bank (left); Tobi Goldberg; and Bob Dorfman, Dorfman Capital. From the left, Mickey Northcutt; Karen Pelto, Department of Environmental Protection; Mayor Kim Driscoll; Tobi Goldberg; Lucy Corchado, Point Neighborhood Association president; Tony Fracasso, MassDevelopment; Bob Dorfman; and Bill Brauner, Community Economic Development Assistance Corporation. A renovated Salem Point Apartments building. Tobi Goldberg and Salem Mayor Kim Driscoll.



*Richard F. McDonald  
senior vice president, treasury/wholesale  
bank manager, and Treasury staff*

*—Webster Bank*

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