



FOR IMMEDIATE RELEASE
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**FEDERAL HOME LOAN BANK OF NEW YORK
AWARDS \$1.7 MILLION IN AFFORDABLE HOUSING GRANTS
IN ATLANTIC CITY, MULLICA HILL AND VINELAND**

-Three projects will create or rehabilitate more than 270 units of affordable housing-

Atlantic City, New Jersey – The Federal Home Loan Bank of New York announced today the award of an \$847,000 grant to the Atlantic City Housing Authority & Urban Redevelopment Agency to help finance the Atlantic City HOPE VI project, which will construct a 90-unit apartment complex in Atlantic City; the award of a \$653,952 grant to United Cerebral Palsy to help finance the rehabilitation of a 167-unit affordable housing complex in Mullica Hill; and the award of a \$263,500 grant to the Vineland Housing Development Corporation to help finance the Melrose Court project, which will construct 17 units of affordable rental housing. Federal Home Loan Bank members M&T Bank, Harvest Community Bank and Capital Bank of New Jersey submitted the applications for the funding.

“For the past 25 years, the Federal Home Loan Bank of New York and our members have used Affordable Housing Program grants to support affordable housing initiatives across our region,” said José R. González, president and CEO of the Federal Home Loan Bank of New York. “In that time, we have been honored to partner with many outstanding housing organizations to help provide quality housing for those who need it most. Through the hard work of those organizations, and with the continued support of Congress, the Affordable Housing Program remains one of the most successful housing programs in the nation and a source of pride for our cooperative.”

“Affordable housing is a vital component of strong communities,” said Beryl Barmore, Regional Community Reinvestment Officer for M&T Bank. “We are committed to supporting the organizations working to develop affordable housing projects in Atlantic City and the surrounding area.”

“Capital Bank of New Jersey is proud to have partnered with the Vineland Housing Authority on its very-low income Melrose Court housing development,” said David J. Hanrahan, president and CEO of Capital Bank. “Our involvement with Melrose Court is multifaceted, including our purchase of the Low Income Housing Tax Credits, our own grant toward project costs, and now our successful sponsorship of this Affordable Housing Grant. We are grateful for the Federal

Home Loan Bank of New York's important financial support of this new construction in our local community.”

The Atlantic City HOPE VI project consists of the redevelopment of the former Shore Park and Shore Terrace public housing complexes. The new construction of a 90-unit apartment complex is designed to promote a family-oriented community environment, and will increase the supply of affordable housing in the area while revitalizing sections of the neighborhood affected by decades of urban blight. The grant will help finance construction costs. Additional financing will be provided by the Atlantic City Housing Authority, Community Development Block Grant Fund for Restoration of Multifamily Housing, the New Jersey Housing and Mortgage Agency and Red Stone Equities. M&T Bank submitted the application for the funding for this project.

The Mullica West project involves the rehabilitation of an existing affordable housing complex for low- and very low-income families. The property consists of several multi-unit buildings containing a total of 167 apartments. Rehabilitation is needed to maintain these apartments as a source of affordable housing. The grant will be used to finance rehabilitation costs. Additional financing will be provided by U.S. Department of Agriculture 538 and 515 loans, the New Jersey Housing and Mortgage Finance Agency, Harrison Township, Low Income Housing Tax Credits and a Harvest Community Bank grant. Harvest Community Bank submitted the application for the funding for this project.

The Melrose Court project involves the construction of a multifamily rental housing complex, which will consist of 17 single-family units on a five-acre site. All of the units will be affordable to very low-income units, and four of the units will be built to Americans With Disabilities Act standards for accessibility; the remaining 13 units will be ADA-adaptable. The grant will be used to finance construction costs. Additional financing will be provided by Low Income Housing Tax Credits, construction and permanent loans from the New Jersey Housing and Finance Agency, the Vineland Housing Authority and a Capital Bank of New Jersey grant. Capital Bank of New Jersey submitted the application for the funding for this project.

The grants are part of \$22.1 million in Affordable Housing Program (“AHP”) subsidies that the Federal Home Loan Bank of New York will award as its 2014 AHP grant round. In total, these grants will help finance 28 affordable housing initiatives in New Jersey, New York, Connecticut, Maryland, Ohio and Pennsylvania which will create or preserve 2,387 units of affordable housing, including more than 1,400 units of very low-income housing and more than 2,300 units of rental housing. The 12 Federal Home Loan Banks have distributed more than \$5.1 billion in AHP funds since the first awards were granted in 1990. At the Federal Home Loan Bank of New York, the AHP has supported 1,376 projects with more than \$450 million in grants, helping to create or preserve nearly 60,000 units of affordable housing and generating an estimated \$8.4 billion in total development costs. For more information on today's grants, please visit <http://www.fhlbny.com/2014AHPOffering>.

The Federal Home Loan Bank System's Affordable Housing Program, created by Congress 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 FHLB of New York currently serves more than 330 financial institutions in New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands. The mission of the Federal Home Loan Banks is to support the efforts of local members to help provide financing for America's homebuyers.

About M&T Bank

M&T is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, operates banking offices in New York, Pennsylvania, Maryland, Virginia, West Virginia, Delaware and the District of Columbia. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank.

Capital Bank of New Jersey

Capital Bank of New Jersey is a commercial bank which completed its record-breaking stock offering in 2007 and opened for business that same year. In addition to its two Vineland locations, it has branches in Woodbury Heights and Hammonton. It lends to businesses throughout Southern New Jersey. Capital Bank is an Approved SBA Lender and a NJEDA Premier Lender. It is also 5-star rated by BauerFinancial (www.BauerFinancial.com). For more information about Capital Bank, please visit www.capitalbanknj.com.

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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.