

No: 93-69

Date: August 25, 1993

FEDERAL HOUSING FINANCE BOARD

Calculation of Area Median Income for Purposes of
the Affordable Housing Program

WHEREAS, the Federal Housing Finance Board ("Finance Board") has promulgated regulations pursuant to which each Federal Home Loan Bank ("FHLBank") has established an Affordable Housing Program ("AHP");

WHEREAS, the Finance Board's AHP regulations define "median income" as "the median family income for an area as determined and published by [the Department of Housing and Urban Development ('HUD')]";

WHEREAS, a question has arisen as to whether the definition of "median income" in the Finance Board's AHP regulations means (1) the arithmetical median income figures calculated by HUD or (2) area median income figures used by HUD in implementing its housing programs, including those income figures adjusted downward to the US median income;

WHEREAS, the Finance Board is currently in the process of a comprehensive review of its AHP regulations, including a review of the definition of "median income"; and

WHEREAS, during the period while it is reviewing its AHP regulations, the Finance Board does not wish to discourage the submission of applications for AHP funds that can only qualify for funds based on calculations using the arithmetical median income figures calculated by HUD;

NOW THEREFORE BE IT RESOLVED, that the Finance Board directs the staff of the Finance Board to advise each of the FHLBanks that until the revisions to the AHP regulations are finalized, the Finance Board is willing to consider AHP applications that request that the Finance Board waive the current requirement that "median income" be determined using the area median income figures used by HUD in implementing its housing programs (including those income figures adjusted downward to the US median income) and instead permit "median income" to be determined using the arithmetical median income calculated by HUD; and

RESOLVED FURTHER, that the Finance Board directs the staff of the Finance Board to advise each of the FHLBanks that with respect to previously approved AHP applications that were submitted and approved based on calculations using the arithmetical median income calculated by HUD, the Finance Board does not intend to take any supervisory action solely because the FHLBank is determining area median income using the arithmetical median income calculated by HUD rather than using the area median income figures used by HUD in implementing its housing programs (including those income figures adjusted downward to the US median income).

By the Federal Housing Finance Board

A handwritten signature in cursive script, appearing to read "Daniel F. Evans, Jr.", written in dark ink.

Daniel F. Evans, Jr., Chairman