

Federal Housing Finance Board

§ 944.5

§ 944.5 Restrictions on access to long-term advances.

(a) *Requirement.* The Finance Board shall restrict a member's access to long-term advances if the member:

(1) Failed to comply with the requirements of this part;

(2) Submitted a community support statement that was not approved by the Finance Board;

(3) Did not receive a rating in a CRA evaluation of "outstanding" or "satisfactory" at the end of the probationary period described in § 944.3(b)(2); or

(4) Failed to provide evidence satisfactory to the Finance Board of its first-time homebuyer performance before the end of the probationary period described in § 944.3(c)(2).

(b) *Notice.* The Finance Board shall provide written notice to a member and the member's Bank of its determination to restrict the member's access to long-term advances: the member by certified mail, return receipt requested, and the member's Bank by facsimile and by regular mail.

(c) *Effective date.* Restrictions on access to long-term advances shall take effect 30 days after the date the notices required under paragraph (b) of this section are mailed unless the member complies with the requirements of this part before the end of the 30-day period.

(d) *Removing restrictions.* (1) The Finance Board may remove restrictions on a member's access to long-term advances imposed under this section:

(i) If the Finance Board determines that application of the restriction may adversely affect the safety and soundness of the member. A member may submit a written request to the Finance Board to remove a restriction on access to long-term advances under this paragraph (d)(1)(i). Such written request shall contain a clear and concise statement of the basis for the request, and a statement that application of the restriction may adversely affect the safety and soundness of the member from the member's appropriate Federal banking agency, or the member's appropriate state regulator for a member that is not subject to regulation or supervision by a federal regulator. The Finance Board shall con-

sider each written request within 30 calendar days of receipt.

(ii) If the Finance Board determines that the member subsequently has complied with the requirements of this part. A member may submit a written request to the Finance Board to remove a restriction on access to long-term advances under this paragraph (d)(1)(ii). Such written request shall state with specificity how the member has complied with the requirements of this part. The Finance Board shall consider each written request within 30 calendar days of receipt.

(2) The Finance Board shall place a member on probation in accordance with § 944.3(b)(2), if:

(i) The member's access to long-term advances was restricted on the basis of the member's inadequate performance under the CRA standard, as described in § 944.3(b)(3);

(ii) The rating in the member's subsequent CRA evaluation is "needs to improve;" and

(iii) The member did not receive either a "substantial noncompliance" CRA rating or a "needs to improve" CRA rating immediately preceding the CRA rating on which the member's inadequate performance under the CRA standard was based.

(3) The Finance Board shall provide written notice to the member and the member's Bank of its determination under this paragraph (d): the member by certified mail, return receipt requested, and the member's Bank by facsimile and by regular mail. The Finance Board's determination shall take effect on the date the notices are mailed.

(e) *CICA.* A member that is subject to a restriction on access to long-term advances under this part shall not be eligible to participate in a CICA program offered under parts 951 and 952 of this chapter. The restriction in this paragraph (e) shall not apply to CICA applications or funding approved before the date the restriction is imposed.

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