

Fannie Mae Announces First of its Kind Investment in Bank2

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As part of Fannie Mae's efforts to support lending to underserved populations and to help close the homeownership gap, the company has made a \$1.5 million Community Development Financial Institution (CDFI) certificate of deposit investment in Bank2, a state-chartered Federal Reserve Member Bank owned 100 percent by the Chickasaw Nation.

The deposit is made under the Certificate of Deposit Account Registry Service (CDARS) program, a program that allows certificates of deposit in excess of \$100,000 to be fully insured by the FDIC. This type of deposit investment is the first of its kind for Fannie Mae, the nation's largest source of financing for home mortgages. The deposit will support affordable housing efforts and help with Bank2's outreach to Native Americans and other minority and underserved families throughout the United States.

CDARS is a vehicle that allows depositors, such as Fannie Mae, to support financial institutions by making deposits in excess of the normal \$100,000 FDIC deposit insurance ceiling. Fannie Mae's CDFI Initiative investments are designed to help strengthen the financial capability of institutions, and enhance their capacity to increase affordable housing opportunities for low- and moderate-income families. Because of these investments, CDFIs have been able to expand the housing-related service they offer to customers and members.

"There is a great demand for housing in Indian Country. We are pleased to receive this deposit, as it will increase our capacity to reach the 38,000 home buyers in Indian Country," said Ross Hill, president and CEO of Bank2.

"Bank2 continues to reach out to Native American communities with its policy of helping its own people. It is our stated mission to address this problem. We have expanded our affordable housing lending efforts with education and our numerous Native American home mortgage products to a national level." Bank2 now serves 78 tribes nationally.

Part of Fannie Mae's American Dream Commitment® is to expand the supply of affordable housing where it is needed most. "Fannie Mae has committed to increase its investments to support tribal housing initiatives to at least \$1.25 billion over the next decade as part of its American Dream Commitment®," said Rex Smitherman, director of Fannie Mae's Oklahoma Partnership Office. "Our investment will expand on the work we're doing with 147 tribes across the country to date and will help bring affordable housing to more Native American families."

"Bank2 has a strong presence in the Native American community," said Smitherman. "We are looking forward to a long and rewarding relationship with them as they help more minority families achieve the American dream."

Bank2 is a subsidiary of the Chickasaw Banc Holding Company and is owned by the Chickasaw Nation. Since 2000, Bank2 has grown from \$7.5 million to \$60 million in total assets.

Bank2 is a full service bank, offering general operating accounts, savings and checking accounts, certificates of deposit, business loans, consumer loans, real estate loans, and a variety of competitively priced home mortgage products.

The bank's goal is to reverse the trend of financial discrimination tribes have historically faced, and offer direction to these communities with added incentives. Their programs work to ensure the empowerment and improvement of their communities. In 2004 Bank2 became a Fannie Mae-approved lender -- the first tribal-owned bank to receive this status -- as part of their effort to offer a full spectrum of affordable mortgage products to their customers.

"We are pleased Fannie Mae and Bank2 are partnering in this new effort to bring homeownership to more Native American families," Chickasaw Nation Governor Bill Anoatubby said. "A key element of Bank2's mission is to have a positive impact on the lives of the people we serve. This new financial element will enhance the bank's ability to help Native American families realize the dream of a nice, quality home."

RISMedia welcomes your questions and comments. Send your e-mail to: editorial@rismedia.com.

For more information about CDARS, visit www.cdars.com or call 866.776.6426.

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