

**PROGRAM:** Community Investment Program

**AGENCY:** Federal Home Loan Bank (FHL Bank) via Dallas

**DESCRIPTION:** Provides low-cost, long-term loan advances to member institutions to finance housing units for low- and moderate-income families, and commercial projects in disadvantaged communities. This program is available for families with incomes less than 115% of area median income. Eligible areas are those with at least 51% low- to moderate-income households.

**ELIGIBLE USES:**

- Purchase and rehabilitation of single-family and rental properties, including weatherization and energy conservation.
- Participation in local, state and federal government-sponsored housing and economic development programs.
- Commercial projects in low- and moderate-income communities.
- Refinancing multi-family housing units
- In conjunction with HUD, FHA, state and local governments, and secondary market agency programs
- To purchase state housing finance agency bonds or mortgage-backed securities representing pools of loans that could be funded directly with CIP advances.

**PROGRAM/LOAN STRUCTURE:**

- Maximum Program Benefits: Interest rate savings attributable to the advance are passed-through to borrowers. Advances are based on the lender's asset size and other FHLBank criteria. Loans from lenders to individual borrowers can vary with the lender's criteria.
- Equity: Varies among lenders. FHLBank criteria for advances vary based on specific lender size, assets, etc.
- Maturities: Up to 20 years with a 30-year amortization.
- Rates: Advances are priced at the FHLBank cost of funds of comparable maturities, plus five basis points.
- Fees: Guaranteed rate commitments are available at one-half of regular FHLBank fees.

**QUALIFICATION CRITERIA/COMMENTS:**

- This program is available only for financial institutions which are members of the FHLBank system. Membership is open to thrifts, commercial banks, credit unions and insurance companies.
- Members must apply to FHLBank for advances. Recipients report quarterly to FHLBank.
- Members are required to own stock in the FHLBank in proportion to their qualified mortgage assets and to earn a market rate of return on their investment.
- CIP advances will be priced below the Bank's standard advance rates for comparable maturities. Community development advances may not exceed 10 percent of an institution's total assets at the time of funding, which may not exceed \$100 million.
- Members must limit their rate mark up to 300 basis points on single family projects and 400 basis points on multi-family projects and must show that the benefit of the CIP advance pricing is passed through to the customer.
- For more information, visit [http://www.fhlb.com/community/cip\\_housing.html](http://www.fhlb.com/community/cip_housing.html) .
- Visit the home page at [www.fhlb.com](http://www.fhlb.com) or email questions to [fhlb@fhlb.com](mailto:fhlb@fhlb.com) .