



# Community Support Program and Targeted Community Lending Plan

March 22, 2023  
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## Policy Information

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### **Introduction**

This FHLBank Policy, governed by the board of directors (board), sets forth the provisions of Federal Home Loan Bank of Topeka's (FHLBank's) Community Support Program and Targeted Community Lending Plan (Plan) as required by 12 C.F.R Parts 1290, 1291, and 1292. FHLBank's board shall adopt this Plan at least annually and FHLBank shall publish its current Plan on its website within 30 days after the date of adoption. This Plan includes many of the programs and activities undertaken by FHLBank in the area of community support, but it is not intended to be a complete description of all FHLBank programs and activities directed at enhancing housing and community development.

### **Purpose**

The purpose of this Plan is to set forth the policy and provisions as required by the applicable Federal Housing Finance Agency (FHFA) regulations. This Plan is established to promote and enhance affordable housing and community development in the Tenth District (the District) by providing loans, grants, and other assistance to members to provide financing for eligible targeted community lending at the appropriate targeted income levels, including underserved neighborhoods and communities.

### **Applicable Statutory and Regulatory Provisions**

Applicable provisions of the Federal Home Loan Bank Act (Act) and the regulations of the FHFA supersede this Plan, and any actions taken hereunder shall be consistent with such provisions. The applicable FHFA regulations include but are not limited to 12 C.F.R. Parts 1290, 1291, and 1292.

### **Scope**

This Plan provides the framework and guidance for the following Plan programs and initiatives:

- (1) Community Investment Cash Advance (CICA) Programs, which include:
  - (a) Community Housing Program (CHP)
  - (b) Community Development Program (CDP)
  - (c) The Affordable Housing Program (AHP) including Homeownership Set-aside Program (HSP) is a CICA program. The framework and guidance for the AHP and HSP are in the AHP Implementation Plan (IP), which is available on FHLBank's website.
- (2) Affordable Housing Advisory Council (Advisory Council). Per 12 C.F.R. §1291.14, the board shall appoint an Advisory Council of 7 to 15 members. These members shall reside in the District and shall be drawn from community for-profit and not-for-profit organizations that are actively involved in providing or promoting low- and moderate-income housing and community lending in the District.

The Advisory Council shall meet quarterly with representatives of the board to provide advice regarding how to carry out the housing finance and community lending mission of FHLBank, including but not limited to:

- (a) Advice on the low- and moderate-income housing and community lending programs and needs in the District, and on the use of AHP subsidies, FHLBank advances, and other FHLBank credit products for these purposes.
  - (b) Prior to its adoption, the Advisory Council shall review the Plan and any subsequent amendments thereto, and provide its recommendations to the board's Housing and Governance Committee (HGC).
- (3) FHLBank Voluntary Programs, which include:
    - a) Native American Housing Initiatives (NAHI) Grants
    - b) AHP *Extra* voluntary contribution to fund additional AHP projects
    - c) Homeownership Possibilities Expanded (HOPE) down payment assistance grants
    - d) Awards, technical assistance, and other outreach, including partnerships with federal, state, and local housing and community development organizations.

## Definitions

Terms used within this Plan and in all applicable agreements, forms, applications and on FHLBank's website shall have the meanings as set forth in Exhibit G of this Plan.

## Policy

- I. **Market Research.** FHLBank conducts market research using both primary and secondary sources. Primary sources include consultation with members and economic development organizations within the District and consultation with the Advisory Council. Secondary sources include an analysis of materials related to some of the classes of CICA-targeted beneficiaries. Other materials reviewed but not related to CICA-targeted beneficiaries include each District state's Consolidated Plan for Housing as well as Consolidated Plans prepared for larger communities, Census data, publications applicable to the District, rural resources and state and local sources.

Data on District housing needs is included in Exhibit A to this Plan. A listing of Native American and Tribal Communities, including federally recognized Tribes, Tribally Designated Housing Entities (TDHEs), and Native Community Development Financial Institutions (CDFIs), is included in Exhibit B to this Plan.

FHLBank works with the Advisory Council to continually evaluate the needs of the District and how FHLBank programs can be tailored to best meet those needs.

FHLBank shall continue to seek information on opportunities to enhance and promote housing and community lending from members, nonmember borrowers, the Advisory Council and public and private housing and economic development organizations as part of the ongoing administration of the Plan.

FHLBank reviews the information obtained through this market research, which identifies credit needs and market opportunities for affordable housing and targeted community lending in the District. The AHP, CDP and CHP, and Native American Housing Initiatives Grants are designed to meet these identified needs. Non-targeted community lending needs in the District are funded with FHLBank advances.

- II. **Technical Assistance and Outreach.** FHLBank offers technical assistance to members and communities to address local needs for affordable housing and economic development. FHLBank shall work with federal agencies, members, local government entities and other interested parties to develop an understanding of local economic development and housing needs, both current and long-term. Technical assistance includes but is not limited to: (1) consulting with the participating groups on assessing and responding to economic development and housing needs, including the identification of organizations that can assist with those tasks; (2) assisting in the identification and documentation of any financing resources applicable to the identified economic development or housing projects (3) promoting the use of FHLBank's products and programs; and (4) devoting a portion of FHLBank's website to CICA Programs. Information is provided on FHLBank's website at <http://www.fhlbtopeka.com>.

Technical assistance videos may also be accessed on YouTube by searching for FHLBank Topeka and the topic. For example: "FHLBank Topeka HSP".

- III. **Recognition Awards.** FHLBank shall recognize exemplary performance by members in community support activities through the Community Leader Award (CLA) and other recognition awards such as plaques and certificates. These activities include member participation in the TurnKey down payment assistance programs, AHP, CHP, CDP, voluntary programs as well as member community support activities not involving FHLBank programs. FHLBank shall include award presentations as part of appropriate FHLBank programs, ground-breaking or ribbon-cutting ceremonies, or other appropriate circumstances.

- A. **Community Leader Award.** Each year, FHLBank Topeka recognizes a member institution that best uses FHLBank products and services to provide outstanding leadership and vision within the communities it serves. FHLBank produces a video about the chosen member. The member is honored at the regional meeting

held in the member's state. During the ceremony, the CLA winner is presented with a crystal award and a \$5,000 check to the nonprofit organization(s) of the member's choice.

Videos produced for members receiving the Community Leader Award are available on YouTube by searching for "FHLBank Topeka Community Leader Award".

- B. **#500forGood.** For the past six years, FHLBank Topeka presented members with a \$500 question – "How would members use \$500 to help their communities?" In 2023, FHLBank again expanded the pool to greater serve the needs of our members' communities with 52 \$500 checks awarded. Moving forward, FHLBank expects to award a similar level of funding. FHLBank plans to continue the program in 2024.

Short videos produced for #500forGood recipients are available on YouTube by searching for "FHLBank Topeka #500forGood."

**IV. Quantitative Targeted Community Lending Performance Goals.** Identified below are FHLBank's quantitative targeted community lending performance goals for 2024:

- Maintain CHP/CDP advance balances between 1.0 and 2.0 percent of FHLBank's total assets;
- Approve 70 or more CHP/CDP applications;
- Approve CHP/CDP applications from more than 30 members.

**V. FHLBank Current Programs.** Identified below is a list of specific CICA and Voluntary Programs included in the Plan.

- A. **Affordable Housing Program.** The AHP, including the HSP and HSP+, is set forth in FHLBank's AHP IP.
- B. **Community Housing Program and Community Development Program.** These are governed by FHLBank's Member Products Policy.
- 1) **Community Housing Program.** Under the CHP, FHLBank provides advances to members to finance the construction, acquisition, refinancing or rehabilitation of renter- or owner-occupied housing for households at or below 115% of area median income. See Exhibit C for program information.
  - 2) **Community Development Program.** Under the CDP, FHLBank provides advances to members to extend long-term fixed rate credit for community development, including the finance of qualifying commercial loans, farm loans and community and economic development initiatives. See Exhibit D for program information.
- C. **Voluntary Programs**

**Voluntary Program Funding:** FHLBank shall allocate two and one half percent (2.5%) of its net income from the prior year for Voluntary Programs in 2024. The allocation will be divided thirty five percent (35%) to NAHI, twenty five percent (25%) to AHP Extra, and forty percent (40%) to HOPE. After September 1, 2024 FHLBank will determine if uncommitted program funds should be redistributed between Voluntary Programs. Any change in program funding will be announced to members. Members are neither allocated nor guaranteed Voluntary Programs funds.

- 1) **Native American Housing Initiatives Grants.** FHLBank's Native American Housing Initiatives Grants assist members in promoting Native American housing in their communities. See Exhibit E for program information.
- 2) **AHP Extra.** FHLBank supports affordable housing projects in Colorado, Kansas, Nebraska, and Oklahoma with additional funding to help people in the District. AHP Extra is a voluntary contribution to supplement FHLBank's statutory AHP. AHP Extra provides competitive grants to affordable housing developers, including nonprofit and for-profit organizations, and housing authorities that are engaged in creating or rehabilitating affordable housing. AHP Extra awards projects that did not score well enough for award utilizing solely the statutory contribution for the AHP General Fund. AHP Extra extends the amount of funding available beyond the regulatory contribution to meet the needs of our district. AHP Extra grants are approved by FHLBank's board of directors.

- 3) **Homeownership Possibilities Expanded (HOPE).** HOPE provides down payment assistance grants to households in FHLBank's District with incomes less than 150 percent (150%) AMI. See Exhibit F for program information.

## VI. Exceptions.

- A. FHLBank, in its sole discretion, may grant exceptions to the provisions, except regulatory requirements, of the programs described herein.
- B. Any exceptions to the provisions shall be documented as part of the review process at the time the application is reviewed, at disbursement and after the project is completed, and duly reported to FHLBank's board.
- C. An exception to the provisions of this Plan does not constitute a contract on behalf of FHLBank for the benefit of any member, sponsor, project owner, or other third-party beneficiary associated with a project, and may not be enforced by any person against FHLBank.

## VII. Notifications.

- A. **Notice of Programs to Members.** FHLBank shall provide annually to each of its members a written notice identifying its CICA Programs and other activities that may provide opportunities for a member to meet the community support requirements and engage in targeted community lending. The notice shall also include a summary of targeted community lending and affordable housing activities undertaken by members, housing associates, nonprofit housing developers, community groups, or other entities in the District, that may provide the same such opportunities.
- B. **Community Support Requirement Notice.** Community Support Statements (CSS) must be submitted by FHLBank members to the FHFA biennially. FHFA has identified odd-numbered years as those in which the CSS will be completed. The CSS process will not occur in 2024.

If the FHFA determines a member's submitted CSS is unacceptable, the member's access to long-term advances (credit with a term to maturity greater than one year) will be restricted. In addition, a member subject to a restriction by the FHFA to long-term advances is not eligible to participate in FHLBank's AHP or HSP or in other FHLBank CICA programs. The restriction does not apply to AHP, HSP or other CICA applications or funding approved before the date the restriction is imposed.

## VIII. Diversity, Equity and Inclusion.

FHLBank's Diversity, Equity and Inclusion Policy, which is available on FHLBank's website, provides guidance regarding the principles of non-discrimination and the inclusion of marginalized communities including but not limited to each of minorities, women, individuals with disabilities, and individuals in the lesbian, gay, bisexual, transgender and queer plus (LGBTQ+) community, and minority-, women-, disabled-, and LGBTQ+-owned businesses in FHLBank's business activities, including management, employment and procurement.

### Policy Review

This Plan shall be reviewed annually and revised as needed by the Director of HCD. Any such revisions shall be submitted for review by the Executive Team and approval by the President and CEO, submitted to the Advisory Council for review and its recommendations and then submitted for review and approval by the HGC and the board.

### Exhibits

- Exhibit A: Affordable Housing Needs, Community Lending (including CHP and CDP), and Quantitative Targeted Community Lending Performance Goal Attainment
- Exhibit B: District Native American and Tribal Communities
- Exhibit C: Community Housing Program Advances
- Exhibit D: Community Development Program Advances
- Exhibit E: Native American Housing Initiatives Grants
- Exhibit F: Homeownership Possibilities Expanded (HOPE)

- Exhibit G: Definitions

**EXHIBIT A**

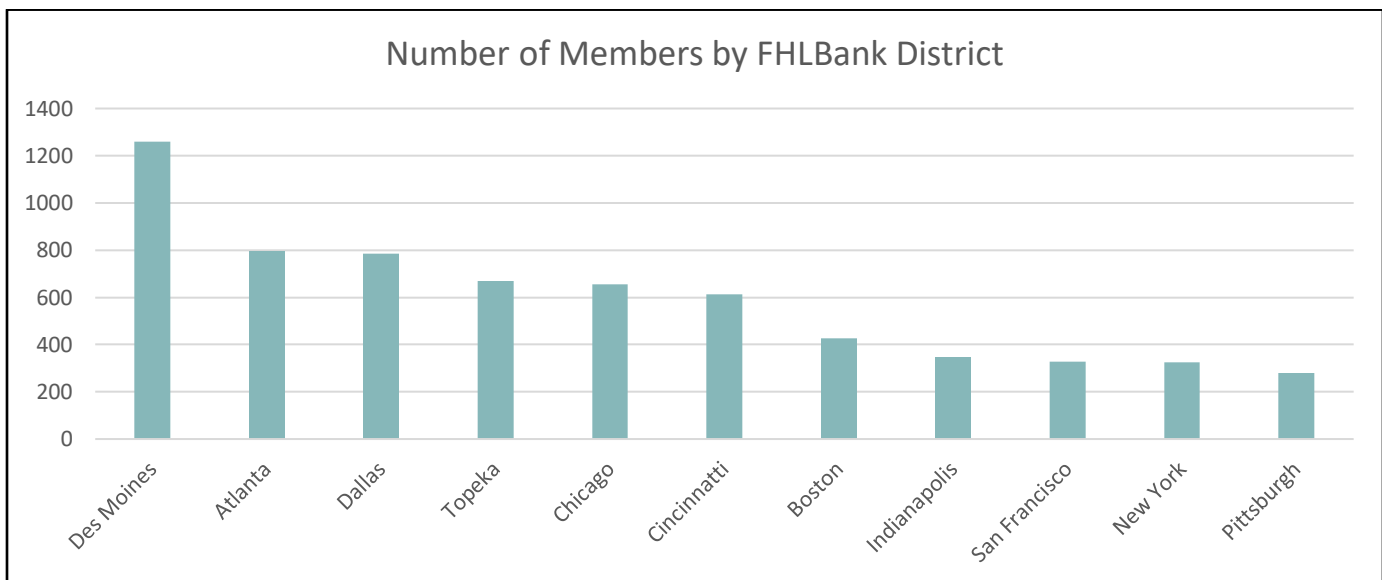
**Affordable Housing Needs, Community Lending (including CHP and CDP), and Quantitative Targeted Community Lending Performance Goal Attainment**

FHLBank’s AHAC has identified and reported the most pressing affordable housing needs in each member’s area and what steps are, or should be, taken by FHLBank through its AHP to address the identified needs. These housing needs are:

- **Geographic Dispersion** – Participation in the HSP, CDP, and CHP in Colorado lags participation in the other District states. HCD staff continues outreach efforts to members and AHP project sponsors in Colorado with guidance from the AHAC.
- **Homeownership Affordability** – Data from Homeownership Set-aside Program (HSP) participating households shows the ratio of average house price to average household income increased from 1.97 to 2.71 over the past 14 years. Average house prices are increasing more rapidly than average household income.
- **Native American Housing Needs** – The ability of Native American Tribes to fund and operate housing programs for their members is dependent on the resources available and organizational capacity. FHLBank’s inaugural round of NAHI applications indicates a need for funding for a variety of housing needs for Tribal members.
- **Community Lending** – AHAC continues to monitor FHLBank members’ community lending using CHP and CDP advances, and FHLBank’s attainment of the community lending quantitative performance goals.

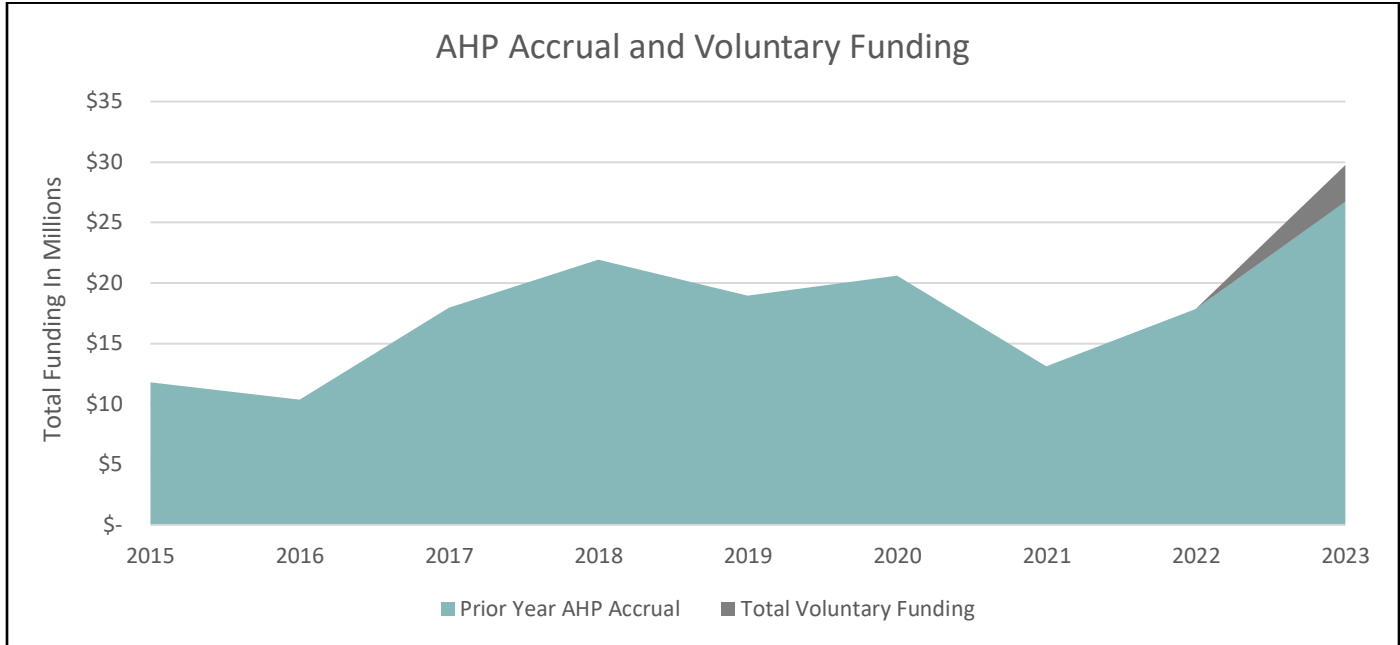
**About FHLBank Topeka**

FHLBank serves financial institution members in Colorado, Kansas, Nebraska, and Oklahoma. The District is mostly rural with only three Metropolitan Statistical Areas in the top 50 nationally: Denver, Oklahoma City, and Kansas City (shared with Missouri). The population of the District is currently served by 674 members of FHLBank. The majority of these members are considered Community Financial Institutions (CFI) with deposits insured by the Federal Deposit Insurance Corporation and total assets under the CFI cap. As of January 1, 2023, the CFI cap as determined by the FHFA is \$1.417 billion. In terms of membership, FHLBank is the fourth largest of the Federal Home Loan Banks.

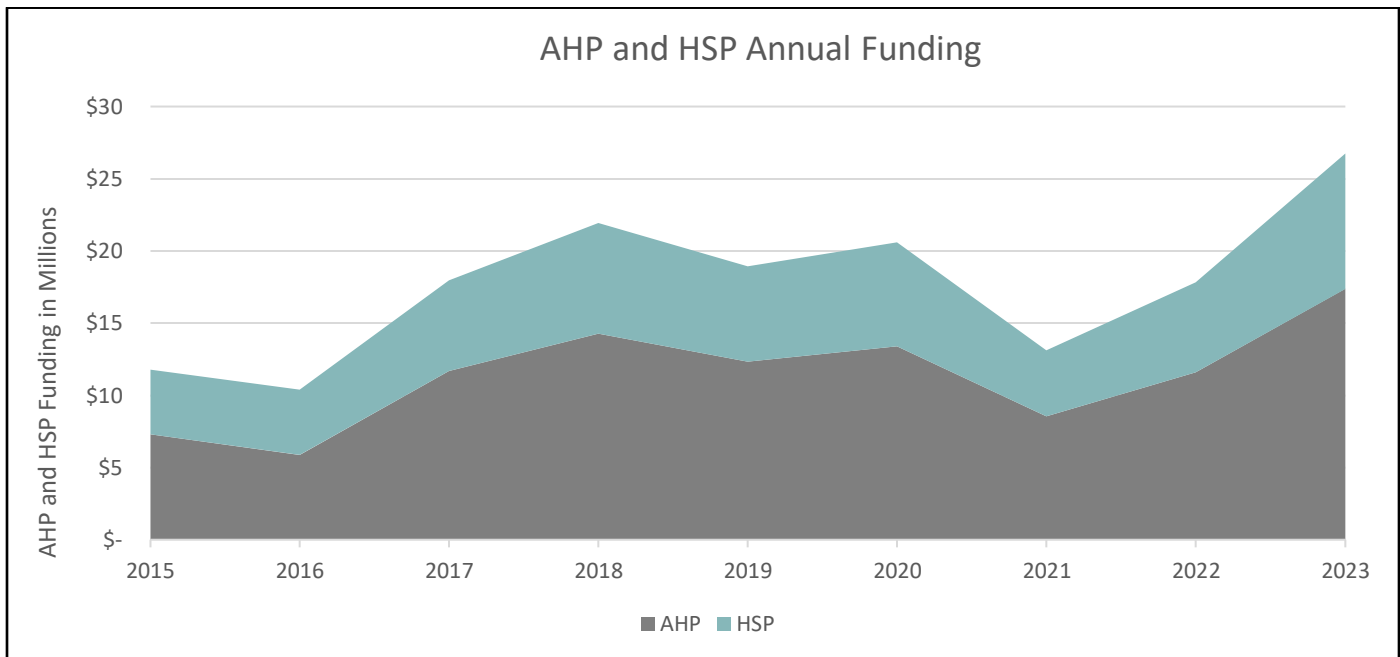


FHLBank’s AHP is funded annually with a 10 percent contribution from the previous year’s net income. Strong earnings in 2022 led to a record accrual of more than \$26.7 million for the AHP in 2023. Total funding for AHP and voluntary programs in 2023 totaled nearly \$30 million. The AHP accrual based on 2022 earnings was nearly \$27 million with an additional \$3 million of funding contributed through NAHI grants. As

previously noted, FHLBank will commit 2.5 percent (2.5%) of 2023 earnings to voluntary programs in 2024. The amount committed to grant funding is the highest in FHLBank’s history.



Since 2015, FHLBank has allocated the greater of 35 percent of the prior year AHP accrual or \$4.5 million to the HSP. FHLBank and its members are committed to promoting homeownership for first-time homebuyers in the district with this commitment to funding the HSP.

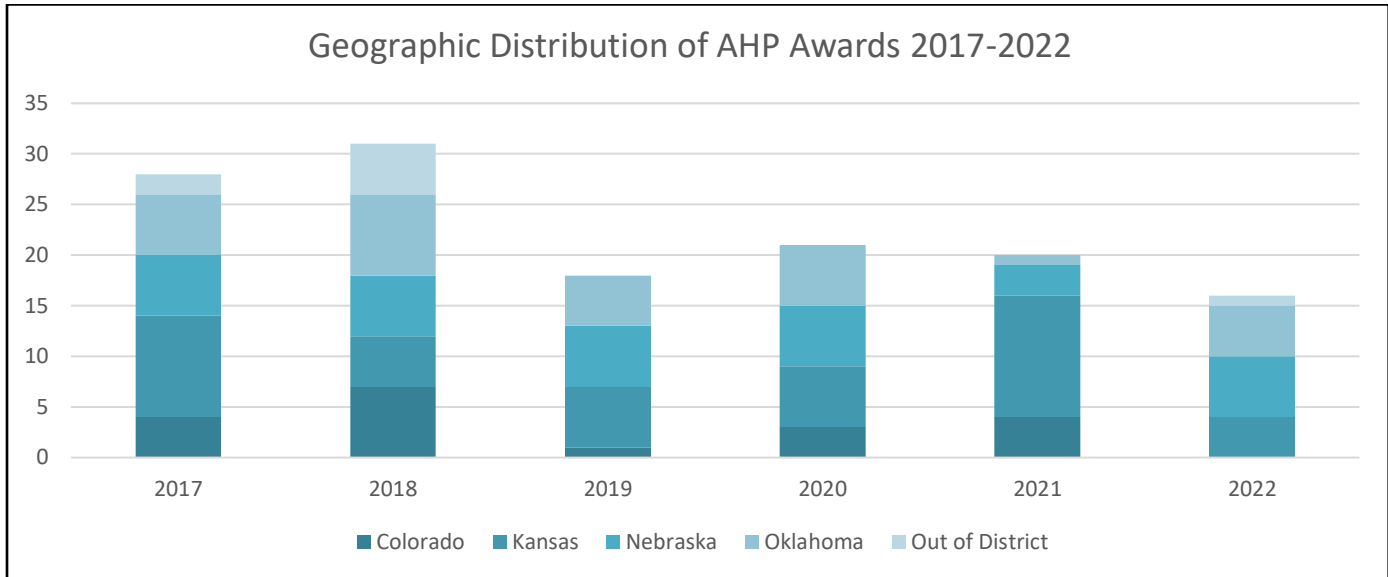


**Geographic Dispersion**

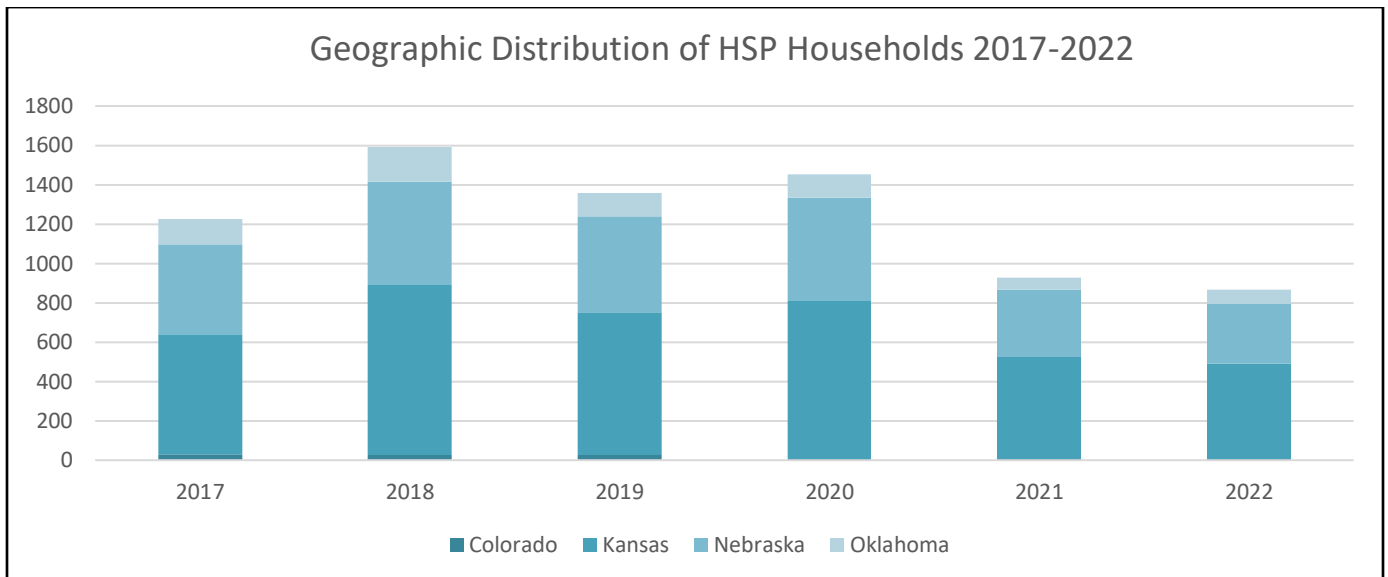
All states in the District have received at least one AHP award from the funds available in the 2017-2021 AHP funding rounds. Colorado did not receive an AHP award in 2022. FHLBank designates alternate projects along with projects



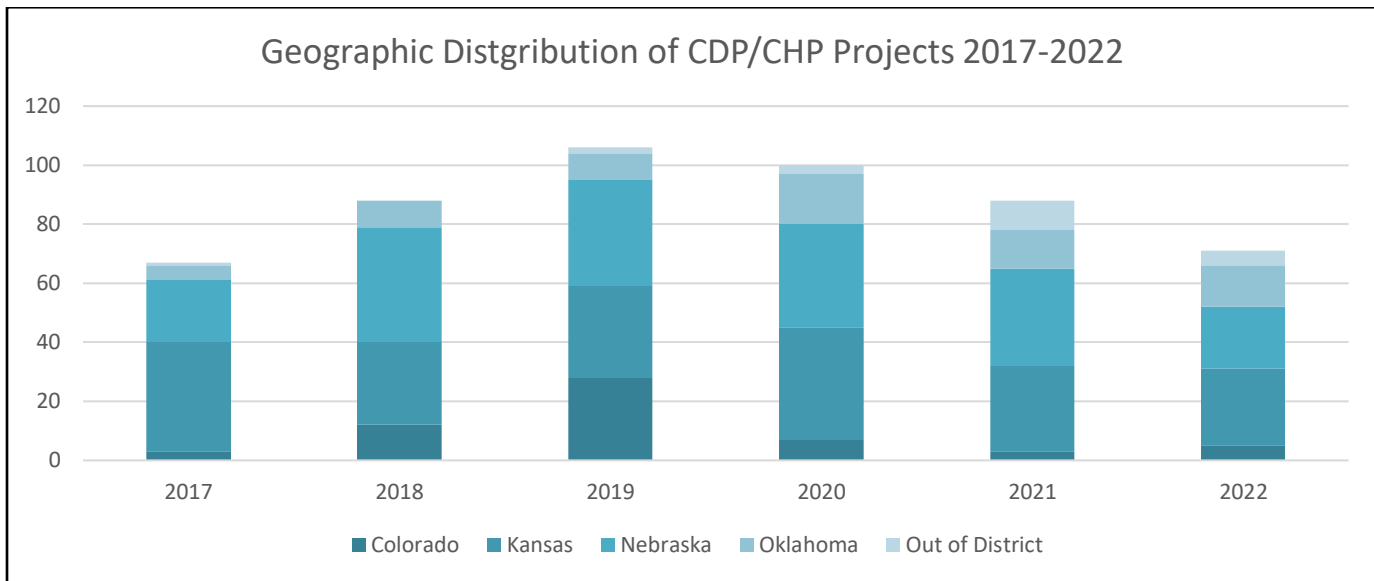
selected for funding each round. In the event funds become available from project withdrawals, recaptures, or repayments, alternate projects are funded. This ensures timely deployment of each year’s AHP.



The HSP also reaches all four states; however, participation by members in Colorado, and to a lesser extent in Oklahoma, has significantly lagged the other District states. HCD staff have continued outreach efforts in Colorado and Oklahoma. In 2021 the maximum HSP subsidy per household was increased from \$5,000 to \$7,500 to attract additional participation and to address increasing housing costs in the District. These efforts have not increased participation in Colorado; however, program utilization in Oklahoma increased in 2022 over 2021.



Distribution of CDP and CHP projects likewise is predominately in Kansas and Nebraska, with a lower level of participation by members funding projects in Colorado and Oklahoma. All states have projects approved for funding from FHLBank members using the CDP and CHP.



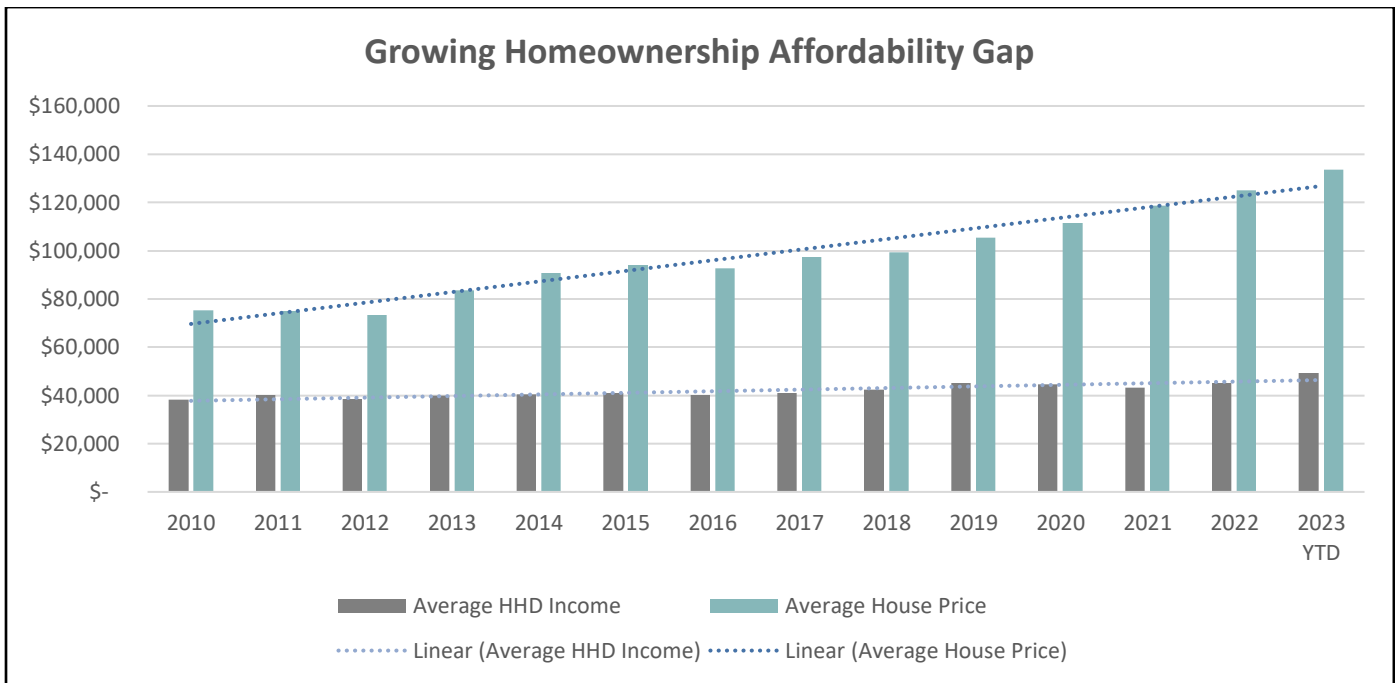
As noted above, HCD staff are in contact with housing professionals in all District states. The following listing does not include technical assistance and staff training conducted by phone or virtual meeting for sponsors, members, and potential HCD programs (including AHP and NAHI) participants. Scheduled formal meetings with interested stakeholders are listed below.

Housing and Community Development 2023 Outreach		
Event	Event Date	Event Location
Building Homes, Hope & Community Together (Topeka Habitat for Humanity)	2/8/2023	Topeka, KS (Great Overland Station)
Affordable housing networking event for Native American tribes/TDHE	2/28/2023	Perkins, OK
FDIC's AEI in Kansas City	3/28/2023	Kansas City, KS
Manhattan Housing Conference	4/19/2023	Manhattan, KS
NIFA Housing Conference	4/17/2023-4/19/2023	Lincoln, NE
AMC	4/19/2023-4/21/2023	Kansas City, KS
Habitat Colorado	5/3/2023-5/5/2023	Vail, CO
Expanding Access to Homeownership Resources to the Underserved in Kansas	6/1/2023	Webinar
Native American Housing Initiatives Grants Program Webinar	5/17/2023	Webinar
Meeting with Colorado Native liason office	5/22/2023	Webinar
Meeting with HUD Nebraska	5/18/2023	Webinar
Meeting with Kansas Native liason office	5/16/2023	Webinar
The Villages project visit	6/21/2023	Colorado Springs, CO
Treasurer Steven Johnson visit	7/31/2023	Topeka, KS (FHLBank)
Colorado FHLBank Regional Meeting	8/21/2023	Littleton, CO
Kansas Housing Conference	8/23/2023 - 8/25/2023	Kansas City, KS
Nebraska FHLBank Regional Meeting	8/28/2023	Lincoln, NE

Housing and Community Development 2023 Outreach		
Event	Event Date	Event Location
Shelter KC Demo Day	9/5/2023	Kansas City, KS
Meeting with Oweesta	9/25/2023	Webinar
Kansas FHLBank Regional Meeting	9/28/2023	Manhattan, KS
Canyon Creek	5/25/2023	Manhattan, KS
State proclamation	5/25/2023	Topeka, KS
Oklahoma FHLBank Regional Meeting	10/4/2023	Oklahoma City, OK
Colorado Housing Conference	10/11/2023 - 10/13/2023	Keystone, CO
Meeting with Ute Tribes of Colorado	10/30/2023	Webinar

**Homeownership Affordability**

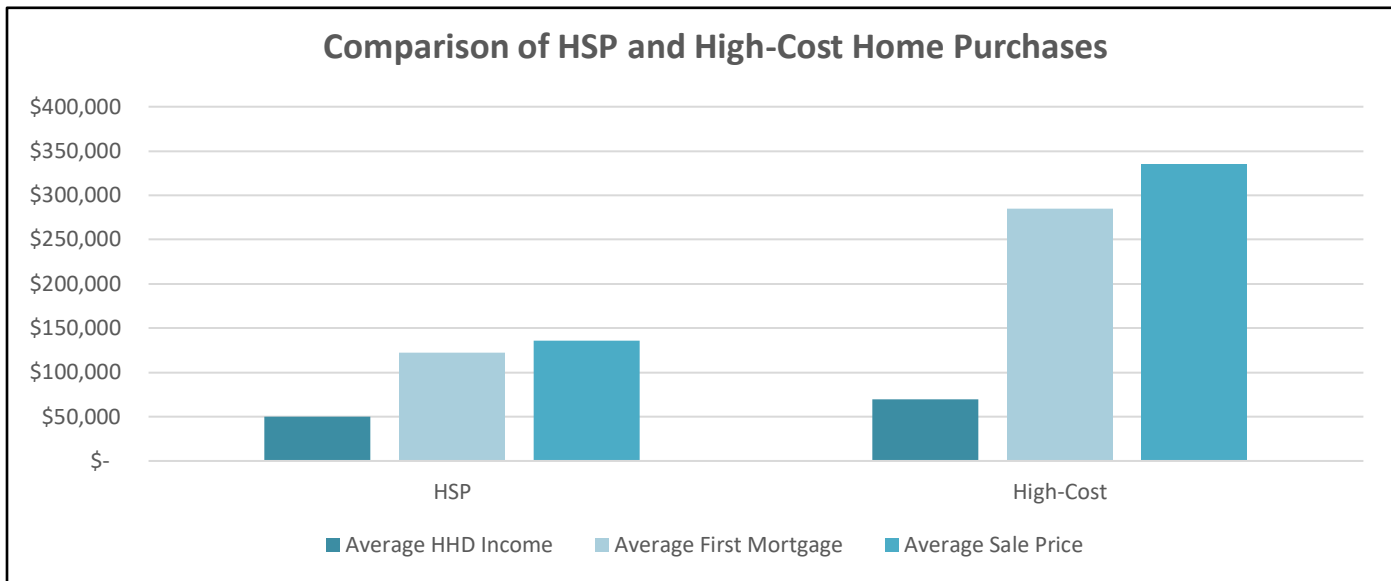
The homeownership affordability gap continues to increase in FHLBank’s District. Using data from FHLBank’s HSP (not including High-Cost Areas HSP), the growing gap is demonstrated by contrasting a 14-year average household income growth of \$11,115 with the increase of \$58,320 in the average house price. The ratio of average house price to average household income has increased from 1.97 to 2.71 over the past 14 years after peaking at 2.77 in 2022. Data for 2023 year to date is through August 21. The decrease in average household income during 2019 to 2021 YTD may be attributable to decreased household income due to the COVID-19 pandemic. Average household income recovered in 2022 and 2023 to \$49,285.



AHAC discussions have included the high cost of housing in Colorado has made homeownership nearly impossible for low- to moderate-income households without the infusion of significant subsidy. AHAC also provided input for HCD to consider when attempting to increase participation in the AHP and HSP by Colorado members. Providing an enhanced level of HSP funding for first-time homebuyers in High-Cost Areas is an incentive for Colorado members to participate in the HSP, and more meaningful support for first time homebuyers in those areas.

High-Cost Areas are counties in which 115 percent of the local median home value exceeds the baseline conforming loan limit (CLL), as established annually by the FHFA. Currently, the High-Cost Area counties in FHLBank’s District are

all located in Colorado as follows: Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Eagle, Elbert, Garfield, Gilpin, Jefferson, Park, Pitkin, Routt, San Miguel, and Summit counties.



HSP participation in Colorado increased from five households in 2022 to 22 households to date in 2023 including both High-Cost Areas and traditional HSP. In High-Cost Areas, the average household income is \$69,448 with an average house price of \$335,499. These homebuyers paid an average of 4.83 times their household income for their homes, compared to 2.72 times household income in the non High-Cost Areas of the District.

**Native American Housing Needs**

NAHI is FHLBank’s voluntary grant program, first offered in 2023, that provides Native American tribes (Tribes) and tribally designated housing entities (TDHE) with access to grant funds intended to build their communities in support of housing for tribal members residing in FHLBank’s district (District). The NAHI supports tribal organizations working at the grassroots level, which are in the best position to identify tribal needs.

The majority of NAHI applications indicated the need for rehabilitation funds for both owner-occupied and rental housing. Several applications sought additional funding for down payment assistance programs that serve Tribal members. Tribes are emphasizing homeownership to build household wealth for Tribal members and close the wealth gap. Other uses include storm shelters and other infrastructure, strategic planning for housing, addressing homelessness, and foreclosure prevention. The NAHI applications are summarized in the following table.

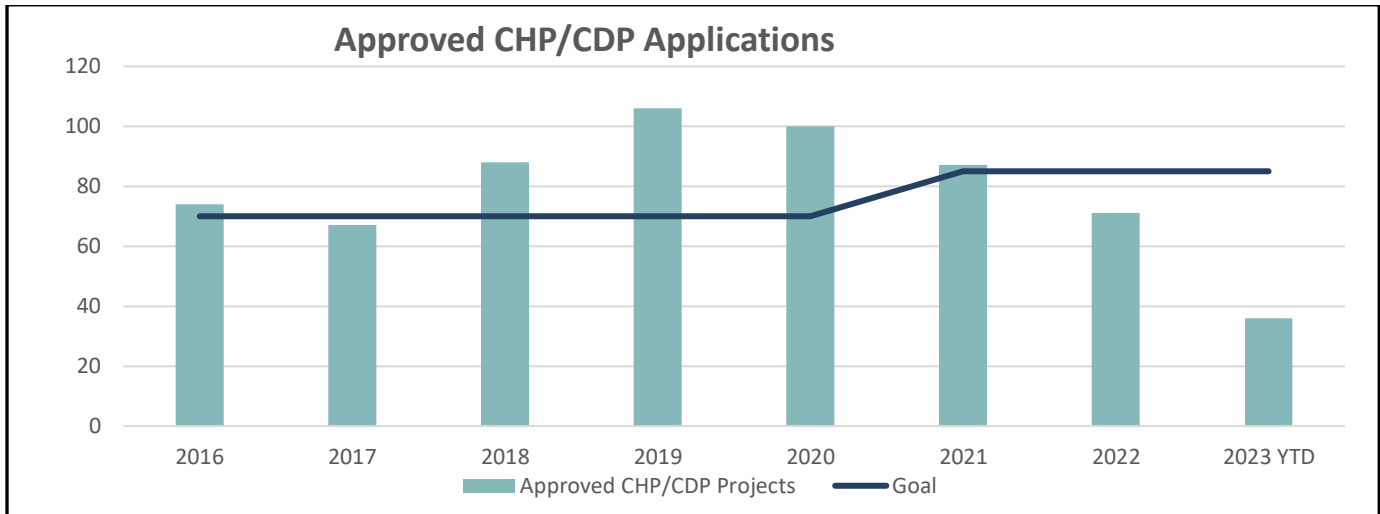
2023 NAHI Applications Summary		
Applicant	Location	Project Scope
Housing Authority of the Seminole Nation of Oklahoma	Wewoka, OK	Funds will be used for renovation of a building for use as a 12-room youth homeless shelter. Along with housing security, participants will receive supportive services to develop necessary life skills to help them live more productive lives.
Absentee Shawnee Housing Authority	Shawnee, OK	Financial assistance grants will address homeless prevention by offering up to \$1,000 per household for rent, utilities, deposits, and other housing-related debts that hinder their ability to acquire permanent housing. The program will also offer Home Rehabilitation Assistance up to \$25,000 per homeowner for repairs needed to bring their home to a safe and sanitary condition.

2023 NAHI Applications Summary		
Applicant	Location	Project Scope
Comanche Nation Housing Authority	Lawton, OK	Qualified Tribal Elders, age 62 and up, could be eligible to receive up to \$8,000 in tax-free assistance for home repairs, renovation, and rehabilitation.
Ho Chunk Community Development Corporation	Winnebago, NE	Grant funds will support the current down payment assistance program providing up to \$65,000 in down payment assistance for new home construction through a forgivable loan. If buying an existing home, \$5,000 or up to 20 percent of the purchase price (whichever is less) may be available.
Tonkawa Tribe of Indians of Oklahoma	Tonkawa, OK	The Tribal strategy is to strengthen housing for the population by providing needed repairs for owner-occupied homes and rehabilitation of existing housing for Tribal members. Occupants will choose two or three items in need of repair/replacement.
Housing Authority of the Cherokee Nation	Tahlequah, OK	Grant funds will supplement the cost of constructing a storm shelter and community gathering space for 14 low- to moderate-income elderly Native Americans living in one of the rental housing additions.
Omaha Tribe Housing Authority	Macy, NE	The grant will fund the replacement of windows in 16 of the 137 occupied rental units. Window replacement will ensure future energy efficiency for the units, as well as bring them up to standard conditions.
Iowa Tribe of Kansas and Nebraska	White Cloud, KS	A strategic plan will be developed that includes a cohesive exploration of infrastructure, housing, culture, and quality of life strengths, needs, and gaps to allow Tribal members to “age in place” on the Reservation. This plan will assist in identification of the exact location for an elder housing complex and will be driven by community member feedback.
Northern Ponca Housing Authority	Norfolk, NE	Funds will assist eligible Ponca Tribe of Nebraska members with housing repairs and rehabilitation. The scope of work will be limited to rehabilitation to minimize homeowner displacement. There are no income restrictions with this funding opportunity.
Prairie Band Potawatomi Nation	Mayetta, KS	This project will directly impact the 27 Southwood Estates units and residents by preventing future erosion and water damage, repair and replacement of driveways, and mold prevention. Southwood Estates is located on a hill, with the majority of units situated on a lower elevation.
Sac and Fox Housing Authority	Reserve, KS	Project 1 - Funds will be used to completely lift a dwelling to replace and repair most of the cement foundation and reinforce and fix the damage to inside and outside walls of the structure. Project 2 - Is a \$137,000 project that would provide protection from the elements by planting a tree row, replace driveway gravel, purchasing a lawn mower, construct two storm shelters and purchase a generator for the housing authority office.
Iowa Tribe Housing Authority	White Cloud, KS	This project funds the new construction and infrastructure of one single-family rental home on an 11 acre tract on the reservation in Richardson County NE. The remaining funds will go towards the infrastructure component of the project to develop the roads needed through the 11 acres.
Housing Authority of the Cheyenne and Arapaho Tribes	Clinton, OK	The Housing Authority is currently working on a strategic plan with a consultant that is assisting with strengthening the programs through compliance of reporting requirements, homebuyer education, budget education, and home maintenance training. The current staff will receive up-to-date housing training that will enable the employees to help tribal homebuyers.

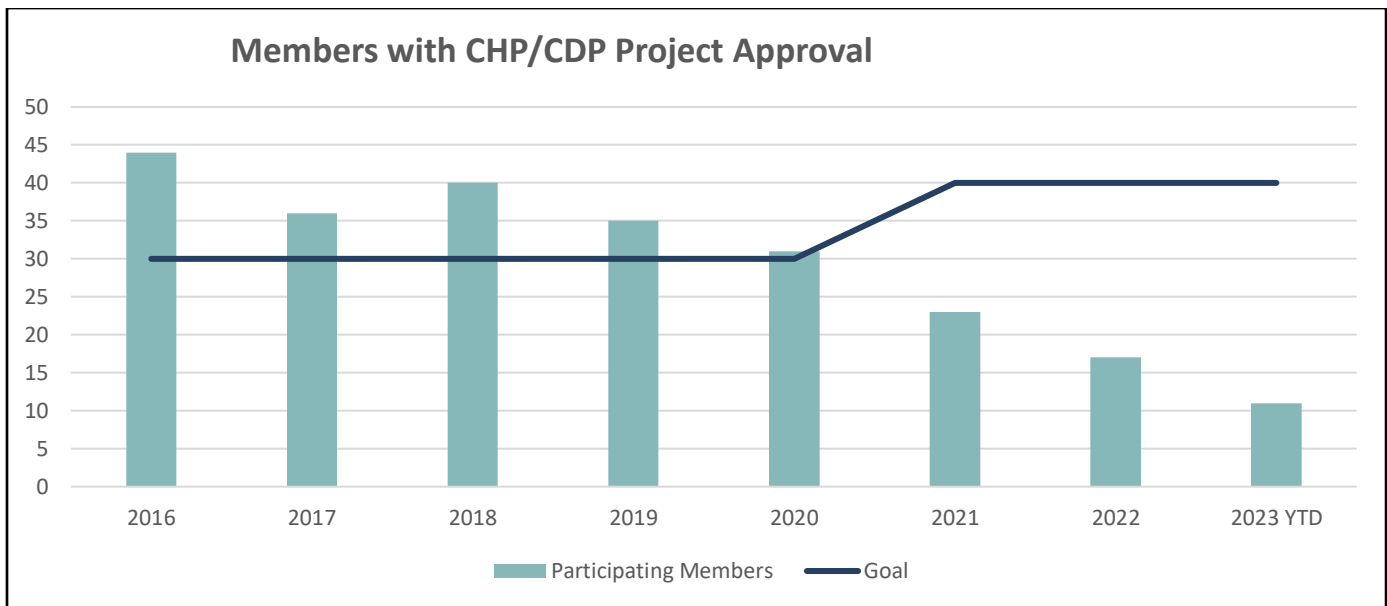
**Quantitative Targeted Community Lending Performance Goal Attainment**

One of FHLBank’s credit products utilized by members to fund economic development projects are discounted advances through the CHP and CDP. The charts that follow are used to report attainment of the Quantitative Targeted Community Lending Performance Goals included in the 2023 Plan.

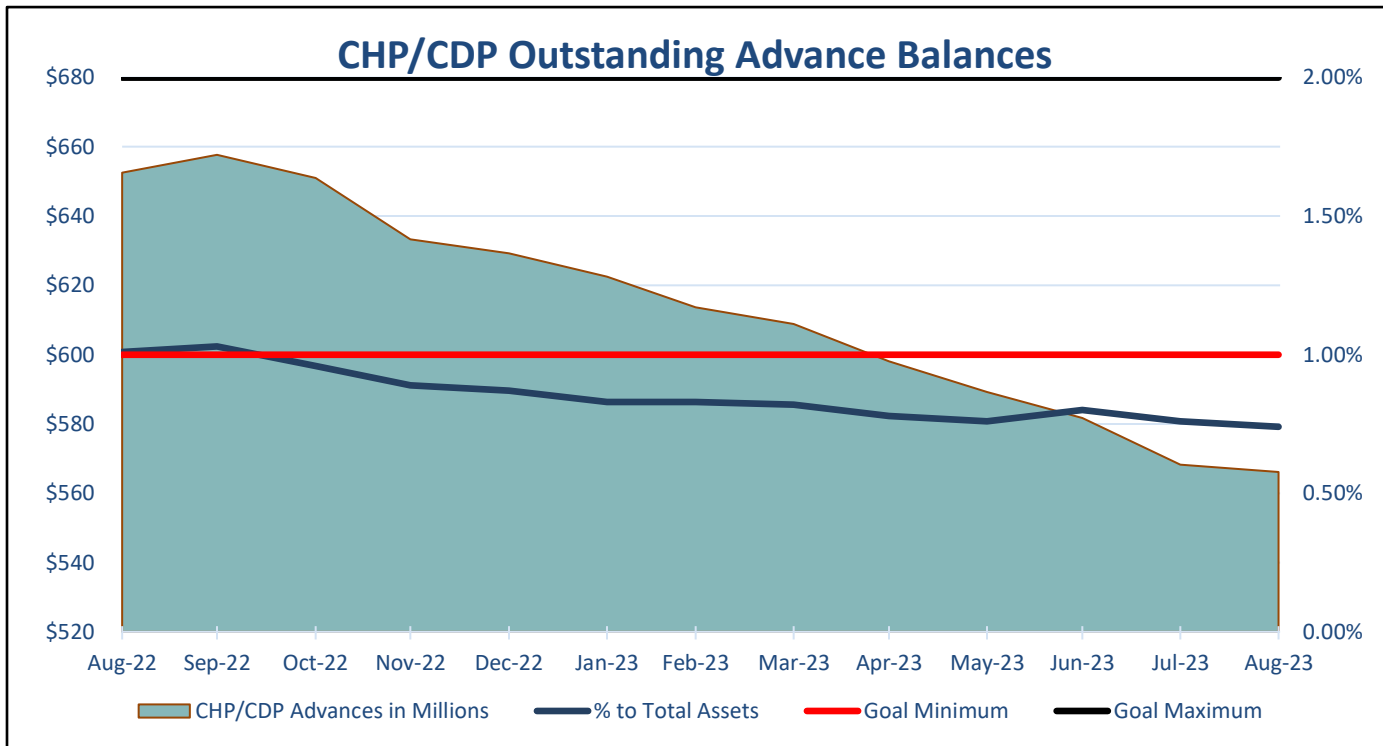
Approved CHP/CDP applications through September 13, 2023 are not tracking to meet the goal of 85 approved projects established for 2023. The number of approved applications has trended downward the last four years. HCD has received anecdotal evidence that members do not consider the 12-basis point discount in CHP/CDP advance rates to regular advance rates to be sufficient to encourage participation in the program.



The number of FHLBank members participating in the CHP/CDP through September 23, 2023, is not tracking to meet the established goal of 40 members in 2023. The goal has not been met since 2020. HCD’s department database includes 198 former members that utilized the program at least once between 1990 and March 23, 2023. The generally smaller member institutions that previously utilized the program have been acquired by larger, non-participating members, reducing the demand for CHP/CDP advances. HCD suggests conducting outreach to members to highlight the benefits of utilizing the CHP/CDP.

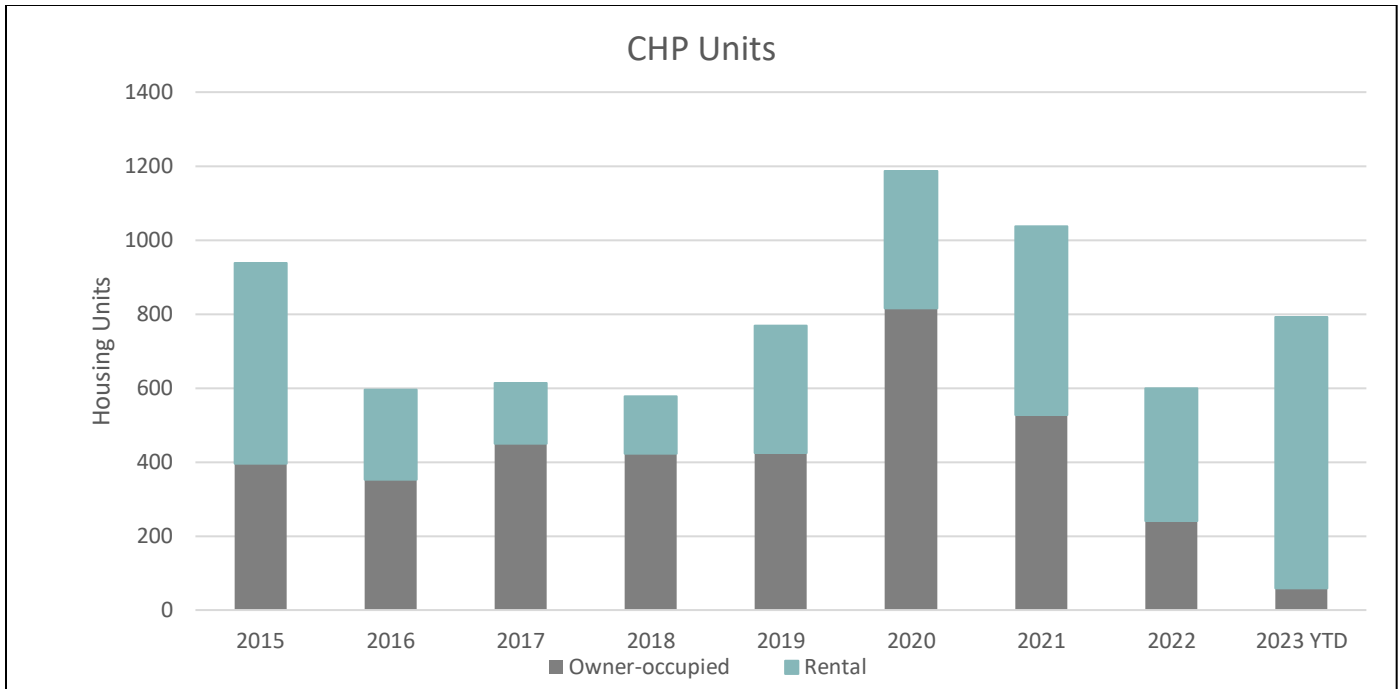


As FHLBank assets remain higher than in the past with participation in CHP/CDP advances continuing to decrease, the percentage of CHP/CDP advances remains below the goal minimum of 1.0 percent.

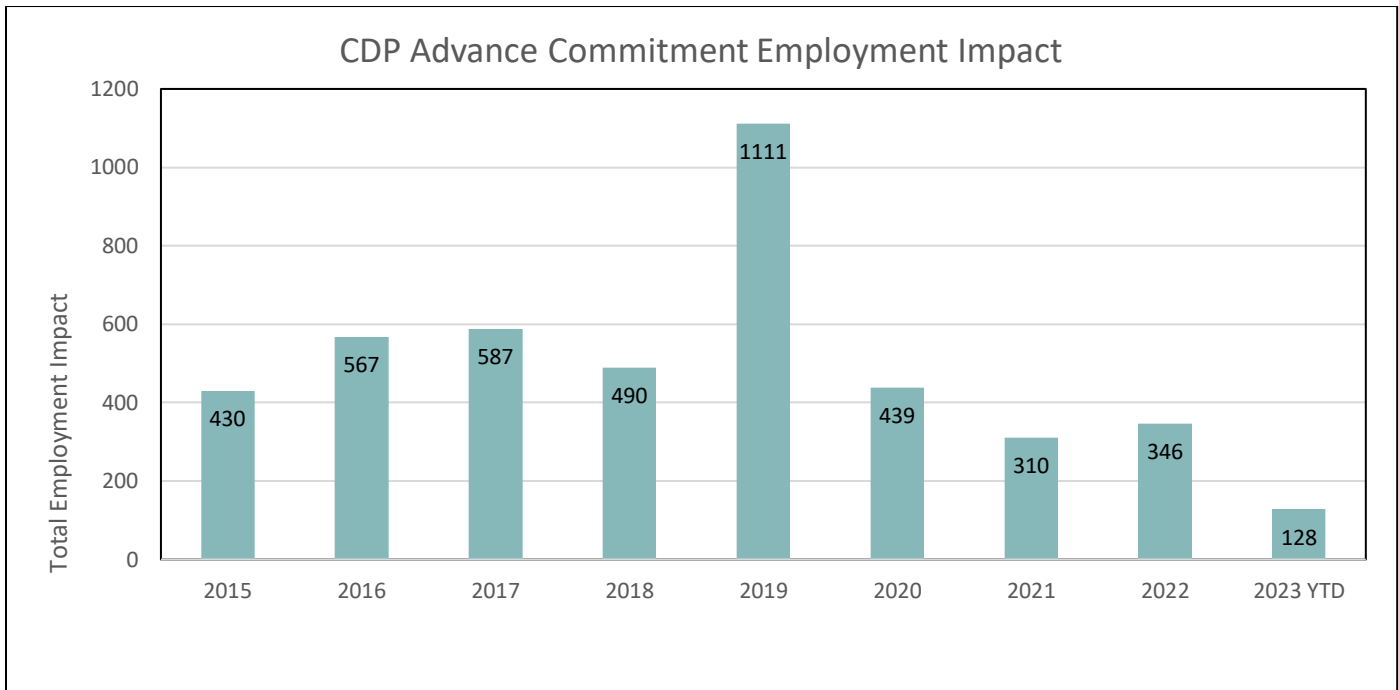


**FHLBank Member Use of the CDP and CHP**

Members continue to positively impact the communities they serve through the use of CDP and CHP funding. Typically, members elect to match-fund rental projects using CHP advances. Owner-occupied projects are primarily loan pools where the member funds the expected duration of the pool. Owner-occupied loans are rarely match-funded, as the member cannot pass the risk of advance prepayment penalties on to the homeowner. CHP applications for owner-occupied loan pools decreased significantly year to date in 2023. However, members are electing to match fund more loans for rental housing, creating an increase in the number of rental units approved. Data for 2023 year-to-date is through September 13, 2023.

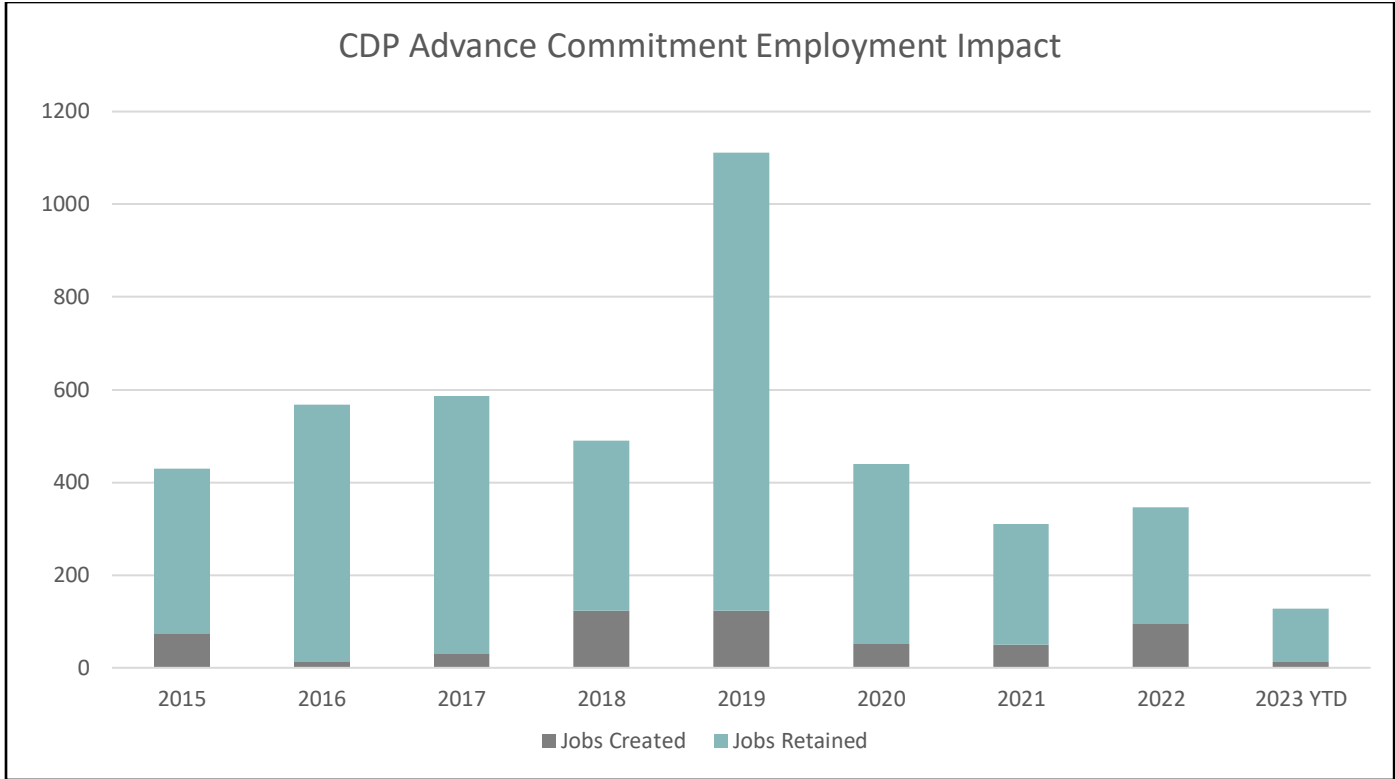


Members also benefit their communities by funding loans that result in the creation or retention of jobs. The employment impact in 2019 was boosted by a member funding pools of small business loans with significant numbers of employees. The drop in employment reported by members for CDP projects beginning in 2020 is related to the lower level of member utilization of this advance product and the continuing effects of the pandemic. Data for 2023 year-to-date is through September 13, 2023.



The employment impact is primarily through the retention of existing jobs by projects funded with the CDP. The number of jobs created or retained by CDP projects, as reported by members, continues to decrease as fewer projects are submitted by members for approval. Data for 2023 year to date is through September 13, 2023.





**2023 FHFA Community Support Statement (CSS) Results**

FHFA has promulgated a community support requirements regulation that establishes standards FHLBank members must meet in order to maintain access to long-term advances and establishes review criteria FHFA must apply in evaluating FHLBank member’s community support performance. The regulation includes standards and criteria for the two statutory factors—FHLBank members’ Community Reinvestment Act (CRA) performance and FHLBank members’ record of lending to first-time homebuyers (FTHB). FHFA reviews the community support performance of each FHLBank member after receiving the member’s completed CSS. Results of the 2023 CSS review cycle are summarized in the following table.

FHFA 2023 CSS Results				
	FHLBank System		FHLBank Topeka	
Members Subject to CSS Review	6,248	100.0%	659	100.0%
CSS Review Status “Compliance”	6,098	97.6%	648	98.3%
CSS Review Status “Probation”	19	0.3%	3	0.5%
CSS Review Status “Restriction”				
a) Due to CRA or FTHB Standard	9	0.1%	0	0.0%
b) Due to Non-submission	0	0.0%	0	0.0%
<b>CSS Not Submitted</b>	<b>33</b>	<b>0.5%</b>	<b>1</b>	<b>0.2%</b>
Pending FHFA Review	89	1.4%	7	1.1%

Source: FHFA CSS Submission Summary Report as of November 10, 2023

**AHP Scoring Criteria**

Scoring for applications under the AHP General Fund in 2024 consists of required and optional categories. A total of 100 points shall be allocated to the scoring criteria selected by FHLBank. The required scoring criteria and minimum

point allocations are: Donated Property (5 points), Sponsorship by Not-for-Profit or Governmental Entity (5 points), and Income Targeting (20 points).

FHLBank management has proposed scoring criteria under the Home Purchase by Low- or Moderate-income Households, Underserved Communities and Populations, Creating Economic Opportunity, Community Stability, and FHLBank Priorities categories to address identified housing needs as shown in the following chart.

2024 AHP Non-required Scoring Criteria and Related Housing Needs		
Scoring Category and Scoring Selections	Points	Housing Need Addressed
<b>Home Purchase by Low- or Moderate-Income Households</b>	5 points (fixed)	Down payment and closing cost assistance to address homeownership affordability
<b>Underserved Communities and Populations</b>	15 points (variable) each selection limited to 5 points	Homelessness
Homeless Households		AHAC continues to stress the need for more senior housing. Special needs definition expanded to include persons recovering from mental/emotional abuse.
Special Needs		AHAC has discussed Native American housing needs, especially for smaller tribes with limited resources. NAHI Grants Program applications indicate a need for owner-occupied and rental housing rehabilitation.
Other – Native American Housing		AHAC has expressed a need for additional large unit development
Other – Large Units		Households with the lowest incomes and the greatest cost burden
Rental Housing for Extremely Low-income Households		
<b>Creating Economic Opportunity</b>	10 points (variable) each selection limited to 5 points	Cost burden and homeownership affordability
Homebuyer Education/ Counseling		Cost burden and homeownership affordability
Homeowner Maintenance Education/Counseling		Cost burden and eviction prevention
Tenant Counseling		Foreclosure and eviction prevention
Financial Education		Homeownership affordability
Education and Training Programs		Encourage development of service-enriched housing
Sweat Equity		
Mental and Behavioral Health Services		
<b>Community Stability</b>	10 points (variable) each selection is limited to 5 points	Owner-occupied rehabilitation
Preservation of Affordable Housing		
Adaptive Reuse		
<b>FHLBank Priorities</b>	30 points (variable) each selection is limited to 5 points	Maximizing the number of units created
AHP Subsidy Per Unit		
Member Financial Participation		Assist with adverse impacts resulting from climate change
Federally Declared Disaster Area		Maximizing the number of units created
Low Cost Development Per Unit		
Residential Economic Diversity		

2024 AHP Non-required Scoring Criteria and Related Housing Needs		
Scoring Category and Scoring Selections	Points	Housing Need Addressed
Overnight Homeless Shelters		Homelessness
In District		
Qualified Census Tract or Difficult Development Area		Encourage development of affordable housing in areas with lower incomes and greater poverty
	70 points	
Refer to 2024 AHP Implementation Plan Exhibit C: Scoring Criteria and Exhibit E: Definitions for details.		

**EXHIBIT B**  
**District Native American and Tribal Communities**

**Federally Recognized Tribes**

**Colorado – 2**

- Southern Ute Indian Tribe of the Southern Ute Reservation, Colorado
- Ute Mountain Ute Tribe, Colorado

**Kansas – 4**

- Iowa Tribe of Kansas and Nebraska
- Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas
- Prairie Band Potawatomi Nation
- Sac & Fox Nation of Missouri in Kansas and Nebraska

**Nebraska – 4**

- Omaha Tribe of Nebraska
- Ponca Tribe of Nebraska
- Santee Sioux Nation, Nebraska
- Winnebago Tribe of Nebraska

**Oklahoma – 38**

- Absentee-Shawnee Tribe of Indians of Oklahoma
- Alabama-Quassarte Tribal Town
- Apache Tribe of Oklahoma
- Caddo Nation of Oklahoma
- Cherokee Nation
- Cheyenne and Arapaho Tribes, Oklahoma
- The Chickasaw Nation
- The Choctaw Nation of Oklahoma
- Citizen Potawatomi Nation, Oklahoma
- Comanche Nation, Oklahoma
- Delaware Nation, Oklahoma
- Delaware Tribe of Indians
- Eastern Shawnee Tribe of Oklahoma
- Fort Sill Apache Tribe of Oklahoma
- Iowa Tribe of Oklahoma
- Kaw Nation, Oklahoma
- Kialegee Tribal Town
- Kickapoo Tribe of Oklahoma
- Kiowa Indian Tribe of Oklahoma
- Wichita and Affiliated Tribes (Wichita, Keechi, Waco & Tawakonie), Oklahoma
- Miami Tribe of Oklahoma
- Modoc Nation
- The Muscogee (Creek) Nation
- The Osage Nation
- Otoe-Missouria Tribe of Indians, Oklahoma
- Ottawa Tribe of Oklahoma
- Pawnee Nation of Oklahoma
- Peoria Tribe of Indians of Oklahoma
- Ponca Tribe of Indians of Oklahoma
- Quapaw Nation
- Sac & Fox Nation, Oklahoma
- The Seminole Nation of Oklahoma
- Seneca-Cayuga Nation
- Shawnee Tribe
- Thlopthlocco Tribal Town
- Tonkawa Tribe of Indians of Oklahoma
- United Keetoowah Band of Cherokee Indians in Oklahoma
- Wyandotte Nation

**Tribally Designated Housing Entities (TDHE)****Colorado - 1**

- Southern Ute Indian Housing Authority

**Kansas - 4**

- Iowa Tribe of Kansas and Nebraska Housing Authority
- Kickapoo Tribe of Kansas Housing Authority
- Prairie Band of Potawatomi Nation
- Sac and Fox Nation Housing Authority of Missouri

**Nebraska - 4**

- Omaha Tribal Housing Authority
- Northern Ponca Housing Authority
- Santee Sioux Tribal Housing Authority
- Winnebago Housing and Development Commission

**Oklahoma - 17**

- Absentee Shawnee Housing Authority
- Apache Tribe of OK Housing Authority
- Choctaw Nation Housing Authority
- Comanche Nation Housing Authority
- Eastern Shawnee Housing Authority
- Fort Sill Apache Tribe Housing Authority
- BAH-KHO-JE Housing Authority
- Kaw Nation Housing Authority
- Kickapoo Tribe of Oklahoma Housing Authority
- Kiowa Tribe Housing Authority
- Modoc Tribe Housing Authority
- Peoria Tribe of Indians HA of Oklahoma
- Pawnee Nation of Oklahoma Housing Authority
- Sac and Fox Nation Housing Authority
- Seminole Nation Housing Authority
- Wichita Tribe Housing Authority
- Cheyenne-Arapaho Housing Authority

**State Recognized Tribes**

Colorado, Kansas, Nebraska, and Oklahoma have not recognized additional Native American tribes.

**Native Community Development Financial Institutions (CDFI)****Colorado - 3**

- Oweesta Corporation
- Native American Bank, NA
- Native American Bancorporation, Co.

**Kansas - 0****Nebraska - 2**

- Ho-Chunk Community Capital Inc
- Native360 Loan Fund Inc

**Oklahoma - 8**

- Bank of Cherokee County
- Chickasaw Bank Holding Company
- Chickasaw Community Bank
- Choctaw Home Finance Corporation
- Citizen Potawatomi Community Development Corporation
- The Cherokee Nation DBA Cherokee Nation Economic Development Trust Authority, Inc
- Mvskoike Loan Fund
- Osage Financial Resources, Inc.

### State Native American Contacts

State	State Legislative Committee(s) Dedicated to Indian Affairs	State Executive Branch Indian Affairs Commissions or Contacts
Colorado		<b>Colorado Commission of Indian Affairs</b> Office of Lieutenant Governor 130 State Capitol Denver, CO 80203
Kansas	Joint Committee on State-Tribal Relations	<b>Kansas Native American Affairs Office</b> 900 SW Jackson Street, Room 100 Topeka, KS 66612-1246 <a href="mailto:knaa@ks.gov">knaa@ks.gov</a>
Nebraska	State-Tribal Relations Committee	<b>Nebraska Commission on Indian Affairs</b> State Capitol Building, 6 <sup>th</sup> Floor, East PO Box 94981 Lincoln, NE 68509-4981
Oklahoma	Joint Committee on State-Tribal Relations	<b>Oklahoma Native American Liaison</b> Office of Governor 2300 N. Lincoln Blvd., Suite 212 Oklahoma City, OK 73105

### Helping Expedite and Advance Responsible Tribal Home Ownership Act of 2012 (HEARTH Act)

The HEARTH Act creates a voluntary, alternative land-leasing process for tribes. Under the HEARTH Act, once Tribes' governing Tribal leasing regulations are submitted to and approved by the Secretary of the Interior, they are authorized to negotiate and enter into leases without further approvals by the federal government. The HEARTH Act authorizes the following types of leases: Business, Agricultural, Wind and Solar Leases (WSR), Wind Energy Evaluation Leases (WEEL), Residential, and Public, Religious, Educational, or Recreational Leases.

The following HEARTH Act leases for District Tribes have been approved by the Secretary of the Interior. Leases are listed by Tribe, lease type in parenthesis, and the date approved.

- Citizen Potawatomi Nation (Business), November 10, 2013
- Kaw Nation (Business), December 13, 2013
- Wichita and Affiliated Tribes (Business), April 8, 2014
- Absentee Shawnee Tribe of Oklahoma (Business), June 3, 2015
- Osage Nation (Business), July 17, 2017
- Cheyenne and Arapaho Tribe of Oklahoma (Business), November 9, 2017
- Apache Tribe of Oklahoma (Business), December 28, 2017
- Prairie Band Potawatomi Nation Business Site Ordinance, September 18, 2018
- Eastern Shawnee Tribe of Oklahoma (Agriculture Leasing Act), December 22, 2021
- Eastern Shawnee Tribe of Oklahoma (Business Leasing Act), December 22, 2021

- Eastern Shawnee Tribe of Oklahoma (Residential Leasing Act), January 24, 2022
- Pawnee Nation of Oklahoma (Ag/Bus/Res/WSR/WEEL), November 22, 2022
- Southern Ute Indian Tribe (Ag/Bus/Res/WSR/WEEL), March 28, 2023

## EXHIBIT C

### Community Housing Program (CHP) Advances

The CHP is a special advance program authorized by 12 C.F.R. Part 1292 (the CICA regulations). The CHP provides wholesale loans (advances) priced below FHLBank's regular advance rates to help members finance owner-occupied and rental housing in their communities.

#### PROGRAM OBJECTIVE

To finance the construction, purchase, rehabilitation, or refinance of owner-occupied and rental housing occupied by or affordable to households earning up to 115 percent of area median income (AMI).

#### ELIGIBLE USES

- Financing construction, rehabilitation, or purchase, or to refinancing existing loans;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CHP-eligible housing projects;
- Making loans to entities that, in turn, make loans for CHP-eligible housing projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CHP;
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CHP; and
- Purchasing Low-Income Housing Tax Credits.

#### TERMS AND CONDITIONS

##### CHP Advance Products

- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

##### Required Documents

A complete CHP application, including identified loan(s), must be submitted to FHLBank's HCD department for confirmation of eligibility. The HCD department will review the member's application prior to approval to ensure the following: identified loan(s) match project type, are consistent with program requirements, and do not include loan(s) to individuals or entities listed on FHLBank's Suspended Counterparty List. Projects involving refinancing of loan(s) previously funded with the CHP may not be combined with new loan(s) or projects. The application review is not a competitive process or subject to limits on the amount of funding available. An application may be obtained from FHLBank's website at <http://www.fhlbtpeka.com>.

Members are not committed to taking the full amount of the approved CHP application; however, any unused CHP application amount shall expire at the earlier of three months following the date the CHP-funded loan(s) was originated or three months following application approval.

In the event that a member must provide either a substitution or additional loan(s) to ensure project compliance, the substitution or additional loan(s) will be accepted only after submission to and approval by the HCD department.



**Limitations**

Members must comply with FHLBank's credit procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CHP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CHP advances for their own benefit. The minimum amount of a CHP advance is \$10,000. Members will not be approved for CHP advance funding for any loan secured by property to be used for any marijuana-related business.

FHLBank shall not allow a member that is subject to a restriction by the FHFA of access to long-term advances (greater than one year) to participate in the CHP. This restriction does not apply to CHP applications or funds approved before the date the restriction was imposed.

Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's AHP, HSP, CHP, and/or CDP.

**Advance Draws on Approved CHP Application**

Members may request draws on an approved CHP application by contacting the Lending department. Multiple CHP advances may be drawn on a single project for up to the approved CHP application amount. Members are not committed to taking the full approved CHP application amount.

**Qualifying Criteria**

Single- and multi-family housing projects must meet one of the following CHP income qualifications:

- Owner-occupied units that are or shall be occupied by households with incomes at or below 115 percent of the AMI for a one to four person household utilizing USDA Rural Development income limits; or
- At least 51 percent of rental units that are or shall be occupied by households with incomes at or below 115 percent of the AMI for a four-person household utilizing HUD income limits; or
- At least 51 percent of rental units must have rents affordable to households with incomes at or below 115 percent of the AMI for a four-person household utilizing HUD income limits. Rent is affordable if it is less than 30 percent of 115 percent of the AMI. For example, a project located in a county for which 115 percent of the AMI equals \$32,000; the maximum CHP-qualified monthly rent is \$800 ( $\$32,000 * 30\% / 12 = \$800$ ).

Mixed-use projects involving a combination of housing and economic development activities are qualified based on the economic development component of the project. See Exhibit D for details.

**Rate**

CHP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CHP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CHP advance rate pricing must be applied on the date the advance is issued. CHP pricing cannot be approved for advances obtained by the member prior to approval of the CHP application. Members may establish the customer's loan rate above the CHP rate based on market rates or commitments to their customer.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the program, the interest rates on the outstanding CHP advances may be changed, as applicable, to (1) the regular fixed advance rate in effect at the time of the original funding; or (2) a rate based on the index, as adjusted based on current interest rates, and the regular pricing spread in effect at the time of the original funding. Members will be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

**Principal and Interest**

Normal principal and interest collection applies. For details, refer to the specific advance program.

**Term**

CHP advances are available in maturities from four months to 30 years.

**Prepayment Option**

Normal prepayment fees will apply to CHP advances. For details, refer to the specific advance program.

**Collateral**

CHP advances must be fully collateralized at the date of issuance and at all times thereafter. Refer to the Collateral Guidelines section of the Member Products and Services Guide for more information.

**Documentation**

FHLBank requires members to certify that each project funded under the CHP meets the respective targeting requirements of the CHP. Such certification shall include a description of how the project meets the requirements, and where appropriate, a statistical summary or list of incomes of the borrowers or rents for the project. For CHP-funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CHP, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CHP.

**Availability**

Members should allow 48 hours for processing a complete CHP application. Provided an approved CHP application is on file, CHP advances may be requested until 4 p.m. CT.

**EXHIBIT D**  
**Community Development Program (CDP) Advances**

The CDP is a special advance program authorized by the CICA regulations. The CDP is designed to increase members' involvement in their communities through the financing of commercial loans, small business and other community and economic development loans. The CDP provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance qualifying commercial loans, farm loans and community and economic development initiatives in the areas they serve.

**PROGRAM OBJECTIVE**

To finance commercial, agricultural, economic development, and community development initiatives.

**ELIGIBLE USES**

- Financing construction, rehabilitation, or purchase, or refinancing existing loans;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CDP -eligible projects;
- Making loans to entities that, in turn, make loans for CDP-eligible projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CDP; and
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CDP.

**TERMS AND CONDITIONS****CDP Advance Products**

- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

**Required Documents**

A complete CDP application, including identified loan(s), must be submitted to FHLBank's HCD department for confirmation of eligibility. The HCD department will review the member's application prior to approval to ensure the following: identified loan(s) match project type, are consistent with program requirements, and do not include loan(s) to individuals or entities listed on FHLBank's Suspended Counterparty List. Projects involving refinancing of loan(s) previously funded with CDP may not be combined with new loan(s) or projects. The application review is not a competitive process or subject to limits on the amount of funding available. An application may be obtained from FHLBank's website at <http://www.fhlbtopeka.com>.

Members are not committed to taking the full amount of the approved CHP application; however, any unused CHP application amount shall expire at the earlier of three months following the date the CHP-funded loan(s) was originated or three months following application approval.

In the event that a member must provide either a substitution or additional loan(s) to ensure project compliance, the substitution or additional loan(s) will be accepted only after submission to and approval by the HCD department.

### Limitations

Members must comply with FHLBank's lending procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CDP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CDP advances for their own benefit. The minimum amount of a CDP advance is \$10,000. Members will not be approved for CDP advance funding for any loan(s) secured by property to be used for any marijuana-related business.

FHLBank shall not allow a member that is subject to a restriction by the FHFA of access to long-term advances (greater than one year) to participate in the CDP. This restriction does not apply to CDP applications or funds approved before the date the restriction was imposed.

Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's AHP, HSP, CHP, and/or CDP.

### Advance Draws on Approved CDP Application

Members may request draws on an approved CDP project by contacting the Lending department. Multiple CDP advances may be drawn up to the total amount of approved CDP project amount. Members are not committed to taking the full approved CDP application amount.

### CDP Qualifying Criteria

CDP-qualified financing includes loans to small businesses, small farms, small agribusiness, public or private utilities, schools, medical and health facilities, churches, day care centers or for other community and economic development purposes that meet one of the following criteria:

- 1) Loans to firms that meet the U.S. Small Business Administration's (SBA) definition of a qualified small business concern based on the Table of Small Business Size Standards (available at <http://www.sba.gov>). To qualify, firms cannot exceed the SBA's established general size standards as of the CDP application date. The SBA defines a small business concern as one that is independently owned and operated, is organized for profit; is not dominant in its field on a national level; has a place of business in the United States; and operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor. Depending on the industry, size standard eligibility is based on the average number of employees for the preceding twelve months or on averaged annual receipts over the past three years.
- 2) Financing for businesses or projects located in an **urban area**, as defined in Exhibit D, with a median income at or below 100 percent of the area median. Median income information for CDP-eligible areas can be accessed by using the address locator available on the Federal Financial Institutions Examination Council (FFIEC) Geocoding System website at <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.
- 3) Financing for businesses, farms, ranches, agribusinesses, or projects located in a **rural area**, as defined in Exhibit D, with a median income at or below 115 percent of the area median. Median income information for CDP-eligible areas can be accessed by using the address locator available on the Federal Financial Institutions Examination Council (FFIEC) Geocoding System website at <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.
- 4) Firms or projects located in a:
  - Federally Declared Disaster Area (Information available at: <http://www.fema.gov/Disasters>)
  - USDA Drought Area (Information available at: [www.usda.gov](http://www.usda.gov))
  - Indian Area (as defined by the Native American Housing Assistance and Self-Determination Act of 1996 [25 U.S.C. 4101 et seq.], Alaskan Native Village or Native Hawaiian Home Land.)
- 5) Projects in **urban areas** in which at least 51 percent of the permanent employees of the project, or at least 51% of the families receiving services provided by the project, earn at or below 100 percent of the AMI.
- 6) Projects in **rural areas** in which at least 51 percent of the permanent employees of the project, or at least 51% of the families receiving services provided by the project, earn at or below 115 percent of the AMI.

Mixed-use projects involving a combination of housing and economic development activities are qualified based on the economic development component of the project as listed above.

**Rate**

CDP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CDP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CDP pricing cannot be approved for advances obtained by the member prior to approval of the CDP application. Members may establish the customer's loan rate above the CDP rate based on market rates or commitments to their customer.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the CDP, the interest rates on the outstanding CDP advances may be changed, as applicable, to (1) the regular fixed advance rate in effect at the time of the original funding; or (2) a rate based on the index, as adjusted based on current interest rates, and the regular pricing spread in effect at the time of the original funding. Members shall be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

**Principal and Interest**

Normal principal and interest collection applies. For details, refer to the specific advance program.

**Term**

CDP advances are available in maturities from four months to 30 years.

**Prepayment Option**

The normal prepayment fee shall apply to CDP advances. For details, refer to the specific advance program.

**Collateral**

CDP advances must be fully collateralized on the date of issuance and at all times thereafter. Refer to the Collateral Guidelines section of the Member Products and Services Guide for more information.

**Documentation**

FHLBank requires members to certify that each project funded under the CDP meets the respective targeting requirements of the CDP. Such certification shall include a description of how the project meets the requirements, and where appropriate, salaries of jobs created or retained. For CDP-funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CDP, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CDP.

**Availability**

Members should allow 48 hours for processing a complete CDP application. Provided an approved CDP application is on file, CDP advances may be requested until 4 p.m. CT.

## EXHIBIT E Native American Housing Initiatives Grants

### Purpose Statement

FHLBank's Native American Housing Initiatives Grants assist members in promoting Native American housing in their communities. Funds must be used to facilitate owner-occupied or rental housing for Native Americans within FHLBank's district by increasing the capacity of Tribally Designated Housing Entities, leveraging existing programs, providing down payment assistance and/or closing costs to build, rehabilitate, or purchase owner-occupied or rental housing, or similar initiatives.

### Funding

Funding for 2024 will be 35 percent (35%) of FHLBank's commitment to voluntary programs.

### Threshold Requirements

- Funds are to provide funding for Native American housing initiatives, such as increasing the capacity of Tribally Designated Housing Entities, leveraging existing programs, providing down payment assistance and/or closing costs to build, rehabilitate, or purchase owner-occupied or rental housing, or similar initiatives.
- Funds are made available only through FHLBank members in partnership with Native American housing initiatives. Members submitting applications must be in good standing with FHLBank's HCD department. Applications from members restricted from participating in the AHP or CICA programs will not be considered.
- Maximum funding of \$500,000 per project annually. Loan pools and similar funding mechanisms are considered a single project for this program.
- Members and project participants agree to take part in publicity highlighting their role and that of FHLBank to the project, Native American community, and region.
- Grant funds cannot be used to finance any direct activity of the member (e.g., infrastructure improvements to facilitate a new branch location) or any affiliate of a member. Members are precluded from using grant funds for their own benefit.
- Projects are limited to FHLBank's District (Colorado, Kansas, Nebraska, and Oklahoma).
- Applications of a political nature will not be accepted. Grant funds cannot be used for any lobbying activity at the local, state, or national level.
- FHLBank employees and members of their households may not receive grant funds.

### Other Policies

- In the event all funds are not allocated during the initial application period, FHLBank will consider requests consistent with the program's goals on a first-come, first-served basis for the remainder of the calendar year. The project funding limit remains in effect.
- FHLBank is not required to fund any request. FHLBank reserves the right to reject any requests even though funds may be available.
- Members will be required to execute agreements agreeing to the terms of the program and use of approved funds.
- Awards will be determined based on merit and funds availability at the discretion of FHLBank.
- Grant funds are not intended to be a permanent funding source for Native American housing initiatives. Approval of grant funding does not guarantee or imply approval of future grant applications.
- Grant funds may be used in conjunction with other FHLBank products and programs, including the AHP and Homeownership Set-aside Program (HSP).
- Funding recommendations made by management will be presented to the President/CEO for approval.
- Funding approvals will be presented to the Housing and Governance Committee (HGC) for informational purposes. HGC will receive a summary of the Impact Reports completed by NAHI recipients.

- HCD staff is available for technical assistance with applications. Technical assistance consists of answering questions, providing examples, etc. FHLBank will not assemble or proofread applications, gather signatures or in any other way participate in the preparation of an application.
- Members and projects receiving grant funds must consult their tax advisors regarding the tax implications of receiving grant funds. FHLBank does not provide advice or consultation regarding the taxability of grant funds.
- HCD staff will provide grant-related communications to the member Contact Person listed on the application. Projects will not be notified directly of grant approval or the disbursement of funds.

#### **Selection Criteria**

- FHLBank will review applications to determine which applicants best meet the objectives of the program.
- Specific selection criteria include:
  - **Organizational Mission:** The strength of the organization in meeting its Native American housing mission.
  - **Scope and Impact:** The scope and impact of the strategies undertaken by the organization.
  - **Organizational Capacity:** The ability of the applicant to execute on the strategy considering experience, staffing, and other resources allocated to the proposal.

#### **Timeline**

- The application period and award announcement dates will be published by FHLBank no later than June 30, 2024. If funds are not exhausted by applications received during the application period, additional applications may be considered after the initial application period.

**EXHIBIT F**  
**Homeownership Possibilities Expanded (HOPE)**

- A. Program Summary.** HOPE provides down payment and closing cost, or funding for repairs related to the transaction for homebuyers earning at or below 150 percent (150%) of the AMI for households purchasing or constructing homes in Colorado, Kansas, Nebraska, or Oklahoma. HSP funding is provided on a reimbursement basis to eligible members, after closing. HOPE will be funded at 40 percent (40%) of FHLBank's Voluntary Program contribution for 2024.
- B. Eligible Members.** TurnKey Registration Agreements (Registration Agreements), HOPE Funds Reservation, and HOPE Disbursement Requests will only be accepted from eligible members of FHLBank at the time the applicable document is submitted.
- C. Member Registration.** Members must register to participate by submitting a TurnKey Registration Agreement.
- D. Funding Period.** Reservations will be accepted March 4, 2024 through November 29, 2024. Disbursement requests must be submitted by the member to FHLBank within 90 days of reservation approval. If a member has undisbursed reserved funds from any funding period prior to the current funding period, the member may not participate in the current or future rounds until those undisbursed funds from the previous round are disbursed or withdrawn. This requirement supersedes the requirement that a disbursement request must be submitted by the member within 90 days of reservation approval. FHLBank shall not extend reservations past May 1 of the year following a funding period.
- E. Member Limit.** HOPE funds are available on a first-come, first-served basis of \$62,500 in reservations per member per calendar month beginning March 4, 2024. The member limit will be adjusted by 9:00 a.m. Central time on the first business day of each month. Members may access the current month's limit plus the unused portion of previous months' limits if funds are available. FHLBank will evaluate funds remaining after July 1, 2024 and determine whether to continue, discontinue, or change the member limit. Any change in member limits or reallocation of funds will be announced to members. Members are neither allocated nor guaranteed reservations up to the limits in this section.
- F. Grant Amount Requirements.** The subsidy per household at reservation must be \$2,500 or greater. The maximum HOPE subsidy per household is \$12,500.
- G. Minimum Eligibility Requirements.**
1. **Income Eligibility.**
    - a. **Eligible Households - Income Eligibility Guidelines.** The minimum household income must be at or below 150 percent (150%) of the applicable AMI at the time the household is accepted for enrollment by the member in FHLBank's HOPE. The household's enrollment date is the date the reservation is submitted to FHLBank.
    - b. **Income Calculation.** The income calculation is pursuant to FHLBank's Income Calculation Guidelines, as described on FHLBank's website. Income must be documented for all household members age 18 or over, whether or not shown as borrowers for the purpose of other financing.
  2. **Homebuyer Name and Property Address.** The homebuyer name and property address identified on the disbursement request must match the homebuyer name and property address on the approved reservation. Reservations cannot be transferred to other homebuyers or other properties.
  3. **Cash Back to Household.** A household may receive up to \$250 cash back at closing. The Member shall use any HOPE subsidy exceeding such amount that is beyond what is needed at closing for closing costs and the approved mortgage amount as a credit to reduce the principal of the mortgage loan or as a credit toward the household's monthly payments on the mortgage loan. However, principal reductions are not allowed if the LTV is 80% or lower.
  4. **Reimbursement to Household.** Households may be reimbursed only for eligible repair expenses paid outside of closing for which there is supporting documentation. FHLBank, in its sole discretion, will determine the eligibility of items paid outside of closing.



5. **Financing Costs.** Rate of interest, points, fees, and other charges paid by buyer for all loans made for the project in conjunction with the AHP subsidy shall not exceed a reasonable market rate of interest, points, fees, and other charges for loans of similar maturity, terms, and risk.
  6. **Loan to Value (LTV) Ratio:** The ratio of first mortgage loan amount divided by the purchase price of the property shall not be lower than 80 percent (80%).
  7. **Front Ratio:** The household's ratio of monthly first mortgage payment divided by monthly household income, as determined using HCD's Income Calculation Workbook, shall not be greater than 38 percent (38%).
  8. **Processing Fees.** Processing fees shall not be charged by any entity for providing HOPE subsidy to a household.
  9. **Prohibited Uses of HOPE Subsidy.** HOPE funds shall not be used to pay for any of the following:
    - a. Home purchases closed prior to FHLBank approval of household income or prior to the HOPE funding period.
    - b. Repayment of other debt as part of a home purchase.
  10. **Use of Subsidy.** Households must agree to use the HOPE subsidies to pay for down payment, closing cost, counseling (homebuyer education), or repairs (see definition of rehabilitation/repairs in Exhibit G) in connection with the household's purchase of a home, including a condominium or cooperative housing unit or manufactured housing, to be used as the household's primary residence.
  11. **Retention Period.** Households must agree to a five-year retention period.
- H. Other Guidelines.** The member shall make best efforts to transfer its obligations under the approved application for HOPE subsidy to another member in the event of its loss of membership in FHLBank prior to FHLBank's final disbursement of HOPE subsidies.
- I. Noncompliance Remedial Action.** FHLBank shall recover from the member the amount of any HOPE subsidy that is not used in compliance with this TCLP or the HSP Member Registration Agreement, if the misuse is the result of the actions or omissions of the member.
- J. HOPE Funding Procedures.**
1. Requests for both reservations and disbursement of HOPE funds must be submitted through HSP Online, FHLBank's online system.
  2. **Reservation of HOPE Subsidy.** To reserve funds for a prospective household, a member must initiate a reservation in HSP Online. To submit a reservation for review, a member must submit a completed Income Calculation Workbook, income documentation as specified in the Income Calculation Guidelines, and other documentation as required, to FHLBank through HSP Online. FHLBank shall notify the member when the HOPE reservation has been approved or denied.
  3. **Disbursement Request.** FHLBank must receive, and shall review the documentation required per the disbursement request.
  4. **Retention Agreements.** The member shall ensure HOPE retention requirements are met.
  5. **Cancelling Reservation or Disbursement Request.** A member may withdraw reservations, approved reservations, or disbursement requests without penalty through HSP Online.
  6. **Timely Submission of FHLBank Requests for Correction, Clarification, or other Follow-up Items.** During review of a Reservation or Disbursement Request (Requests), FHLBank may request additional information, correction, or clarification of the submission. Timely response from the member is required to ensure timely use of funds. FHLBank may, at its discretion, withdraw Requests for which FHLBank has not received the requested additional information, correction, or clarification of the submission within thirty days of FHLBank's request.
- K. Repayment of Subsidy.** In the case of a sale, transfer, assignment of title or deed, or refinancing of the unit by a household during the retention period, the household is required to repay the HOPE subsidy, reduced on a pro rata per month basis until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the HSP five-year retention period.
- L. HOPE Monitoring.** FHLBank shall monitor compliance with all HOPE requirements including HOPE eligibility requirements and member certifications for each household. FHLBank reserves the right to request

documentation to support member certifications at any time. FHLBank may use a reasonable sampling plan to select the households to be monitored, and to review the back-up and any other documentation received by FHLBank, but not the member certifications required. The sampling plan and its basis shall be in writing.

**M. HOPE HOUSEHOLD ELIGIBILITY GUIDELINES**

ITEM	Household Eligibility Guidelines
a. Mortgage Term	All HOPE home purchases must be funded with a mortgage that meets the following guidelines: <ol style="list-style-type: none"> <li>1) Maximum mortgage term is forty (40) years.</li> <li>2) Minimum mortgage term is five (5) years.</li> </ol>
b. Mortgage Rate	First mortgage: A maximum of 200 basis points over 30-Year Fixed-rate Mortgage rate published by Freddie Mac in its Compilation of Weekly Survey Data on the first week of each calendar quarter.  Second mortgage: A maximum of 400 basis points over the 30-Year Fixed-rate Mortgage rate published by Freddie Mac in its Compilation of Weekly Survey Data on the first week of each calendar quarter.
c. Lender Fees	Lender fees paid by buyer including origination fee shall not exceed 3 percent (3%) of loan amount.
d. Lender Discount Fees	Loan discount fees paid by buyer shall not exceed 3 percent (3%) of the loan amount.
e. Front ratio	A Front Ratio, as defined in Exhibit G, shall not be greater than 38 percent (38%).
f. Loan to Value Ratio	The Loan to Value Ratio, as defined in Exhibit G, shall not be less than 80 percent (80%).

**N. HOPE RETENTION REQUIREMENTS**

The following sets forth retention requirements for HOPE retention requirements.

A household that receives HOPE subsidy for the purchase of an existing or newly-constructed home shall be subject to a deed restriction or other legally enforceable retention agreement or mechanism (“Retention Agreement”) ensuring retention for five years (60 months) from the closing date for the purchase of the property as evidenced by the closing document. The member shall ensure any Retention Agreement under this paragraph requires that:

1. FHLBank, and in FHLBank’s discretion any designee of FHLBank, shall be given notice of any sale, transfer, assignment of title or deed, or refinancing of the unit by the household during the five-year retention period.
2. Any repayment of the subsidy shall be made to FHLBank.

Repayment of HOPE Subsidy Calculation. The amount of HOPE subsidy a household subject to a HOPE retention agreement is required to repay shall be reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the HOPE five-year retention period.

## EXHIBIT G Definitions

**Activity Targeted Beneficiaries:** Projects that qualify as small businesses.

**AHP:** Affordable Housing Program

**Area Median Income (AMI):** For HOPE households, the median income for the area, based on limits as published by the USDA and adjusted for household size.

**Closing Costs:** Expenses over and above the price of the property incurred by the buyer when transferring ownership of the property.

**Eligible Closing Costs include**, but are not limited to: loan origination fee, loan discount fee, appraisal fee, credit report, mortgage insurance, application fee, closing fee, document preparation, attorney fees, title insurance (for mortgagee or owner), abstracting fees, recording fees, tax stamp fees, survey fees, pre-paid interest for up to 30 days, initial flood insurance premium, two months' escrow of mortgage insurance, escrow of property tax as appropriate for the jurisdiction in which the property is located, two months' escrow of flood insurance, first year's premium for homeowner's insurance, first year's premium for mortgage insurance, property inspection fees, homebuyer education classes (not to exceed maximum cost set forth in this Plan), financial education programs, etc.

**Ineligible Closing Costs include**, but are not limited to: single premium or monthly life and/or disability insurance coverage, escrow of principal and interest payments, or payments of personal obligations of the households including personal loans, judgments, or liens.

**Co-borrower:** Individual(s) included on the deed, mortgage/deed of trust, and promissory note for a property in conjunction with another individual(s) and is liable for repayment of debt secured by the mortgage/deed of trust.

**Co-owner:** Individual(s) included on the deed and/or mortgage/deed of trust for a property in conjunction with another individual(s).

**Co-signer:** Individual(s) that is included on the promissory note and is liable for repayment of debt for real estate but is not on the deed and/or mortgage/deed of trust for property.

**Community Development Program (CDP):** Provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance qualifying commercial loans, farm loans and community and economic development initiatives in the areas they serve. (See Exhibit B/CDP Qualifying Criteria for a list of CDP qualifying criteria.)

**Community Housing Program (CHP):** Provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance owner- and renter-occupied housing in their communities.

**Community Investment Cash Advance (CICA) Program:** FHLBank's Affordable Housing Program (AHP), CHP and CDP.

**Community Investment Program (CIP):** Program to provide financing for housing projects and for eligible targeted community lending at the appropriate targeted income levels. CIP includes FHLBank's CHP and CDP.

**Disbursement:** A transfer of program funds to the member for use by the project.

**District:** The states of Colorado, Kansas, Nebraska, and Oklahoma (i.e., District 10).

**Economic development projects:**

- (1) Commercial, industrial, manufacturing, social service, and public facility projects and activities; **and**
- (2) Public or private infrastructure projects, such as roads, utilities, and sewers.

**Family:** One or more persons living in the same dwelling unit.

**Federally Recognized Tribe:** An American Indian or Alaska Native tribal entity that is recognized as having a government-to-government relationship with the United States, with the responsibilities, powers, limitations, and obligations attached to that designation, and is eligible for funding and services from the Bureau of Indian Affairs. Federally recognized tribes are recognized as possessing certain inherent rights of self-government (i.e., tribal

sovereignty) and are entitled to receive certain federal benefits, services, and protections because of their special relationship with the United States.

**Finance Agency (FHFA):** The Federal Housing Finance Agency is the Federal Home Loan Bank System's regulator.

**Front Ratio:** The sum of the monthly principal, interest (including subordinate mortgages), property taxes, property insurance, other housing-related fees (e.g., homeowners' association fees, flood insurance, private mortgage insurance, etc.) divided by the household's monthly income.

**Geographically Defined Targeted Beneficiaries** are:

- (1) A project located in a neighborhood with a median income at or below the targeted income level;
- (2) A project located in an Indian area, as defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*), Alaskan Native Village, or Native Hawaiian Home Land;
- (3) A project located in a federally declared disaster area.

**Homebuyer/Homeownership Education:** Recipients must complete a homebuyer education program, within the current or previous calendar year of the purchase closing date or rehabilitation completion date (for Owner-occupied Rehabilitation projects), provided by, or based on one provided by, an organization experienced in homebuyer education.

**Household:** Includes all the individuals who currently, or will, occupy the house or residence.

**Housing projects:** Projects or activities that involve the purchase, construction, rehabilitation or refinancing (subject to § 1292.5(c)) of, or predevelopment financing for:

- (1) Individual owner-occupied housing units, each of which is purchased or owned by a family with an income at or below the targeted income level;
- (2) Projects involving multiple units of owner-occupied housing in which at least 51% of the units are owned or are intended to be purchased by families with incomes at or below the targeted income level;
- (3) Rental housing where at least 51% of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below the targeted income level; or
- (4) Manufactured housing parks where:
  - At least 51% of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below the targeted income level; **or**
  - The project is located in a neighborhood with a median income at or below the targeted income level.

**HUD:** U. S. Department of Housing and Urban Development.

**Individual Targeted Beneficiaries** are:

- (1) The annual salaries for at least 51% of the permanent full- and part-time jobs, computed on a full-time equivalent basis, created or retained by the project, other than construction jobs, are at or below the targeted income level; **or**
- (2) At least 51% of the families who otherwise benefit from (other than through employment), or are provided services by, the project have incomes at or below the targeted income level.

**Lender Fees:** Fees charged by lender in association with the loan.

**Loan to Value (LTV) Ratio:** The ratio of first mortgage loan amount divided by the purchase price of the property.

**Manufactured Housing:** A structure, transportable in one or more sections, which is built on a permanent frame and is designed to be used as a dwelling when connected to the required utilities.

**Market Rate Interest:** 30-Year Fixed-rate Mortgage rate published by Freddie Mac in its Compilation of Weekly Survey Data on the first week of each calendar quarter.

**Median income for the area:**

- (1) *Owner-occupied housing projects and economic development projects.* For purposes of owner-occupied housing projects and economic development projects, median income for the area means the applicable median family income:
  - as published by USDA Rural Development; **OR**

- the Federal Financial Institutions Examination Council (FFIEC) Geocoding system which is used to qualify CDP projects located in an area where the median area income is at or below the targeted median income.
- (2) *Rental housing projects.* For purposes of rental housing projects, median income for the area means the median income for the area, as published annually by HUD.

**Minor Child:** A person who is either: 1) under the age of 18; or 2) 18 or older and is not engaging in substantial gainful activity due to a physical or mental condition that very seriously limits their activities and the condition has lasted, or is expected to last, at least one year.

**Mixed-use Project:** A project involving a combination of housing (owner-occupied or rental) and economic development activities.

**MSA:** Metropolitan Statistical Area as designated by the Office of Management and Budget.

**Neighborhood** includes:

- (1) A Census tract or Block Numbering Area;
- (2) A unit of local government with a population of 25,000 or less;
- (3) A rural county; or
- (4) A geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographic designation that is within the boundary of but does not encompass the entire area of a unit of general local government.

**Provide financing** means:

- (1) Originating loans;
- (2) Purchasing a participation interest, or providing financing to participate, in a loan consortium for CICA-eligible housing or economic development projects;
- (3) Making loans to entities that, in turn, make loans for CICA-eligible housing or economic development projects;
- (4) Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CICA program under which the member or housing associate borrower receives funding;
- (5) Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CICA program under which the member or housing associate borrower receives funding;
- (6) Originating CICA-eligible loans within 3 months prior to receiving the CICA funding; **and**
- (7) Purchasing low-income housing tax credits.

**Punitive Lists:** Lists in which a project member, sponsor, owner, and/or individuals may be placed for noncompliance with monitoring, reporting, viability, and regulatory requirements of the AHP, FHLBank's AHP Implementation Plan, and FHLBank's policies and procedure. Punitive lists include: Disbursement Hold List, Remediation List, Problem Projects List, Suspension List, FHLBank's Suspended Counterparty List, Community Support Watchlist, and the FHFA's Suspended Counterparty List.

**Rehabilitation (owner-occupied rehabilitation)/Repair and (owner-occupied purchase):** To restore those parts of a dwelling in substandard condition, damaged, broken, or not working correctly, back to good condition or working order to address habitability issues, code deficiencies, or underwriting requirements. FHLBank's subsidy for rehabilitation should be used to accomplish the objective of maintaining affordable housing, defined as housing that is targeted to the low-and-moderate income markets. Repairs or improvements inconsistent with the objective of maintaining affordable housing are not eligible as a rehabilitation cost.

**Eligible Rehabilitation/Repair Costs:** HOPE subsidy may be used to pay for rehabilitation in conjunction with the purchase of a home including, but not limited to: accessibility, roof, electrical, plumbing, sewer, mechanical, foundation or other structural, windows, doors, floor coverings, wall repair, paint, or hazardous material remediation.

**Ineligible Rehabilitation/Repair Costs:** HOPE subsidy cannot be used to pay for rehabilitation (unless specified above) including, but not limited to: construction/repairs of an outbuilding, payments directly to the household for repair labor, luxury items (i.e., landscaping, hot tubs, swimming pools).

**Retention Period:** HOPE disbursements that include the purchase of existing and newly constructed homes shall have agreements ensuring retention for five (5) years (60 months) from a) the date of the closing as evidenced by the closing document.

**Rural area** includes:

- (1) A unit of general local government with a population of 25,000 or less; or
- (2) An unincorporated area outside an MSA; or
- (3) An unincorporated area within an MSA that qualifies for housing or economic development assistance from the USDA.

**Single-family Building:** A structure with one to four dwelling units.

**Small business:** A “small business concern,” as that term is defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration (SBA) under 13 CFR part 121, or any successor provisions. The SBA definition is available at <http://www.sba.gov>.

**Subsidy:** Monetary assistance granted by FHLBank in support of affordable housing in communities served by FHLBank. The HOPE subsidy is a direct subsidy, provided that if the direct subsidy is used to write down the interest rate on a loan extended by a member, project sponsor, or other party to a project, the subsidy must equal the net present value of the interest foregone from making the loan below the lender's market interest rate.

**Targeted community lending:** Providing financing for economic development projects for targeted beneficiaries.

**Targeted income level** includes:

- (1) For rural areas, incomes at or below 115 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable area median income standard;
- (2) For urban areas, incomes at or below 100 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable area median income standard;
- (3) For advances provided under CIP:
  - (i) For economic development projects, incomes at or below 80 percent of the median income for the area;
  - (ii) For housing projects, incomes at or below 115 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable area median income standard.

**Tribally Designated Housing Entity (TDHE):** An entity designated by a federally-recognized Native American Tribe to administer its housing programs utilizing HUD funding.

**Urban area** includes:

- (1) A unit of general local government with a population greater than 25,000; or
- (2) An unincorporated area within an MSA that does not qualify for housing or economic development assistance from the USDA.

**USDA:** The U. S. Department of Agriculture.

**USDA Income Limits:** The income limits for a county developed by the USDA and published annually to determine eligibility of applicants for USDA's assisted housing programs.