

Affordable Housing Advisory Council 2020 Report

FHLBank Topeka

LETTER FROM THE AHAC CHAIR

The Affordable Housing Advisory Council's (AHAC) Needs Assessment discussions throughout 2020 covered many issues facing very-low, low- and moderate-income families.

First and foremost was the effect of the COVID-19 pandemic on LMI households, affordable housing projects, and services that support LMI tenants and homeowners.

AHAC noted that the CARES Act and other funds were used for LMI rental assistance. However, some private landlords disregarded the CDC eviction moratorium.

Self-help homeownership projects were impacted as participating families built their homes without volunteer labor due to social distancing. Social distancing also adversely affected the delivery of services to LMI households and caused some homeless individuals to be displaced from shelters.

Supply chain disruptions slowed progress on new construction. Several AHAC members reported strong home prices and in-migration in their communities due to the transition of many professions to work-from-home.

The AHAC will continue assessing the impact of the COVID-19 Pandemic on homebuyers, homeowners, tenants, landlords and funders to identify what the future holds for the various constituencies and how FHLBank programs can be used to mitigate COVID-19 impacts on affordable housing.

In addition to the impact of COVID, the AHAC identified the following issues as district housing needs:

- Owner-occupied housing rehabilitation
- Preservation of existing affordable housing
- Maximizing the number of units assisted with AHP

Readily available information supports such priorities.

1 According to the National Association of Homebuilders, the average age of homes in the US is 47. Similarly, per the 2019 American Community Survey, 34% of homes in FHLBank Topeka's district were built prior to 1969.

2 There are hundreds of aging USDA Rural Development, Housing and Urban Development and Low-income Housing Tax Credit equity-funded projects that need updating but lack the financial resources.

Many of the rural development, housing and urban development projects are in locations that, for various reasons, are not attractive to affordable housing developers. The existing units, if lost, will not be replaced, so it is essential they be preserved when possible.

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PROGRAM TIMELINE

Celebrating 30 years of AHP

FHLBank's Affordable Housing Program (AHP) was created to help make housing available to all people. Throughout the past three decades, the program has benefited families and individuals across the Midwest. The following are some of the milestones achieved along the way.

1990

On July 17, 1990, FHLBank Topeka awards its first affordable housing grant to Carolton Arms, a 21-unit project in Denver, Colorado. **This was the start of AHP.**

1999

2000

COLORADO AHP PROJECT

Grant Finalizes Shelter Construction

AHP money helps build new complex for those in need



Cortez is situated near the Four Corners in southwest Colorado where temperatures drop drastically in the winter months.

Without a local shelter, homeless individuals died from exposure. Cortez needed a place with warm beds for those in need.

In 2006, the Bridge Emergency Shelter was founded. A grassroots effort by locals, the shelter was initially located in the old county jail. Thirteen years later, they moved into a modern, two-story building that provides beds for 68 individuals.

"When we found out our former location was being sold, we started to look for a solution," said Laurie Knutson, executive director of the shelter. "Since we needed so many bathrooms, rehabilitating a current property was going to be more expensive than building something new."

By the time they broke ground on the project in September 2018, they had raised funds in the community, received grants from the state and secured several grants from outside the region. It still wasn't enough to finish the build. Luckily, they found out First National Bank, Cortez, was an FHLBank member and would be able to sponsor an AHP application.

"When we discovered that the Bridge Emergency Shelter needed additional funding for the construction project, we jumped at the opportunity to partner with them to ensure a successful path for the needed funding and get them over the finish line," said Jim Muller, president of First National Bank, Cortez.

A month into construction, they received the good news that a $560,000 AHP grant was theirs.

Construction finished about a year later. The facility has space for emergency housing and transitional apartments. Both have had a major impact on residents' lives, Laurie said, including one guest who was living on the street for years.

"He shared with me that this place saved his life," she said.

With a safe, secure location near the courthouse, soup kitchen and mental health services, the Bridge hopes to continue serving Cortez for years to come.

"Without the AHP grant, we would not have been able to complete the project," Laurie said. "Now, our town has a dignified place for people to get help when they need it."

DISTRICT HSP PROJECTS

Small Towns, Big Savings

Community banks take advantage of first-time homebuyer funds

A pandemic and falling mortgage rates in 2020 presented a rare opportunity for first-time homebuyers, especially in rural communities.

"Who would have thought a pandemic would cause a rise in home sales?" said Cheryl Hill, manager of mortgage lending at Legacy Bank in Colwich, Kansas.

Colwich is a small community with a population of just under 1,500. And yet, Legacy distributed more than $53,000 to benefit first-time homebuyers in the community using FHLBank Topeka's Homeownership Set-aside Program (HSP).

In small communities across the district, the program was just as popular. First State Bank in Gothenburg, Nebraska — population 3,448 — disbursed more than $124,000 in HSP grants. And Welch State Bank in Welch, Oklahoma, a town of only 584, reserved nearly $64,000 in HSP funds.

Kelli Garber, vice president at Welch State Bank, said the program offered much-needed help for customers looking to purchase in this housing market.

"We are the only financial institution in our area that participates in the HSP or offers down payment assistance," she said.

The HSP provides up to $5,000 in closing cost, down payment and repair assistance for first-time homebuyers earning at or below 80% of the Area Median Income.

Both Welch State Bank and Legacy Bank foster relationships with area real estate agents who bring in clients needing such assistance and who would not have been able to qualify for a home loan otherwise.

While happy to have a competitive edge in mortgage lending, both banks agree that making homeownership a reality is good for their communities.

POPULATION 1,467
HSP GRANTS 11

Legacy Bank
Colwich, Kansas

POPULATION 3,448
HSP GRANTS 25

First State Bank
Gothenburg, Nebraska

POPULATION 584
HSP GRANTS 13

Welch State Bank
Welch, Oklahoma

1993 | 1994 | **1995** | 1996 | **1997** | **1998** | 1999 | **2000**

1995 The SANCHO Market Street Studios in Wichita, Kansas, becomes FHLBank Topeka's 100th AHP project.

1997 FHLBank introduces the Rural First-time Homebuyer Program (RFHP) to help potential homebuyers cover down payments and closing costs.

1998 The RFHP Education Program began to financially support rural homeownership counseling.

2000 FHLBank Topeka reaches $1 million in first-time homebuyer grants.

KANSAS AHP PROJECT

The Accidental House

Home remodel helps foster independence for residents

Janel Bowers made a wrong turn on 69th Street and stumbled upon the perfect house.

Well, almost perfect.

"It had horsehair insulation. I had never seen horsehair insulation. I didn't even know that was still a thing," Janel said. "I was like 'this is horrible, we should totally buy it.' "

The price was the selling point for Janel, who serves as the director of the Friends of Johnson County Developmental Services (JCDS). Her organization provides accessible and affordable housing for people with developmental disabilities.

The affordable aspect, Janel said, can get tricky in the suburbs of Kansas City, which is why finding this house at just $100,000 was a steal.

"I call it the accident house because it was completely by accident that I found it," she explained. "All our residents pay just $325 in rent. So if we can improve that house, that's four more people paying $325. That's four more people we can serve."

"Being a nonprofit agency, you can't consistently generate cash flow. This money helped them bring all of the properties up to a higher standard of living and usability."

Richard Holtcamp
BANK OF BLUE VALLEY

The improvements — which began with removing the horsehair — were funded by a 2017 Affordable Housing Program (AHP) grant from FHLBank Topeka. Friends of JCDS received $552,000 to help rehabilitate 51 units across more than a dozen properties.

The charitable organization partnered with Bank of Blue Valley to apply for the AHP grant and see the project through.

Richard Holtcamp, who was serving as a senior vice president at Bank of Blue Valley when the AHP grant was approved, worked hand-in-hand with Janel to secure the funding.

"That was the first of such projects I have ever done. It was a bit of a learning curve for us at first," Richard said. "But when it came to the funding, it was almost too easy."

Bank of Blue Valley was able to leverage construction loan processes they already had in place to monitor and report on the AHP project progress, Richard said. The rehabilitation work included everything from repairing sewers to installing new windows to completely remodeling the 69th Street home.

"Being a nonprofit agency, you can't consistently generate cash flow," Richard said. "This money helped them bring all of the properties up to a higher standard of living and usability."



Before and After: Friends of JCDS received an AHP grant in 2017 to rehab 51 units across multiple properties including this complete remodel of a house in Lenexa, Kansas.

Renovations that added accessibility, such as new wheel chair ramps, wider doorways and main-floor washers and dryers, made the biggest impact with the residents.

"(One resident) cried when she moved into her new house because she could finally do her own laundry," Janel said. "That sense of independence is so important."

While the rehab projects funded by the 2017 grant have now finished, Janel said AHP has had a prolonged impact on both the residents and the organization itself. Friends of JCDS continues to benefit from its partnership with FHLBank.

"It's the credibility of having FHLBank Topeka as a funding source. I think that's why were able to get other funding. That's when we started to see other grants come in," she said. "Nobody wants to fund a sewer. Nobody wants to fund drainage issues. These aren't sexy improvements, but they're needed. That's why the AHP grant was huge."

2001 — **2002** — 2003 — 2004 — 2005 — **2006** — **2007** — 2008

2002
Salvation Army's 37th St. Residential Readiness Project in Omaha, Nebraska, is the 500th AHP grant awarded through the program.

2006
FHLBank Topeka surpasses $100 million in AHP grants.

2007
The Southwood Apartments in Oklahoma City become the 400th rental project to be completed.

OKLAHOMA CDP & CHP PROJECTS

Preserving History and Margins

CDP advance helps finance purchase of 100-year-old office building

The key to making any deal successful is to make the terms favorable to both sides.

With help from discounted advance funds from FHLBank Topeka, Great Nations Bank was able to sweeten the deal for their customer while keeping the terms comfortable for their own balance sheet.

With locations in the Oklahoma City suburbs of Norman and Yukon, Great Nations Bank is a community bank with assets of $83 million. Keeping their cost of funds at a manageable level can be a challenge for this small bank. The Community Development Program (CDP) and Community Housing Program (CHP) helped them address that challenge head on.

The CDP provides 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. The CHP offers similarly priced funding to



finance owner-occupied and rental housing in members' communities.

Great Nations used both programs in 2020. Their CDP advance helped finance the purchase of a 100-year-old office building in the heart of Ardmore.

"The new owner is a local businesswoman who already owned the building next door," said Lynn Groves, SVP, commercial lender. "Helping her purchase this building meant the property's ownership stayed local."

With the flexibility in terms of up to 30 years with the CDP advance, Great Nations was able to lock in a longer fixed rate for their borrower.

"The CDP helped make our offer competitive and still preserved our margin," Lynn explained.

Great Nations also used a CHP advance to help a local investor purchase an apartment complex in downtown Oklahoma City. The eight-plex complex is in an up-and-coming area of the city and has stayed fully rented. The new owner will keep needed downtown housing available to the community.

When future deals are in the works, Great Nations Bank plans to keep their CDP and CHP application close at hand.

Finding an option that provides value to their bank and their customer means more successful loan closings are on the horizon.

NEBRASKA CDP PROJECT

Together for Treatment

Discounted loan funds family addition to women's recovery facility

To folks in Norfolk, Nebraska, the Well isn't a deep hole with fresh drinking water — though it's arguably just as important to the community.

Around those parts, the Well is the affectionate name for the Women's Empowerment Life Line, a long-term residential and outpatient treatment center for women on the road to recovery.

The organization treats behavioral health issues, substance abuse problems, trauma, domestic violence and even serves as a halfway house for women released on probation.

But in 2019, they needed a loan to help address a service they weren't yet offering — treatment that keeps moms and kids together.

"Currently, there are no local programs for mothers to complete long-term intermediate residential treatment alongside their children," Lara Thomas, supervisor of the Well's Mommy and Me program, told the Norfolk Daily News in April



2020. "This unique program will allow for children to remain in the care of their mother rather than an extended family member or even foster care throughout the four- to nine-month treatment process."

To house the new Mommy and Me program, the Well purchased a 12-unit apartment complex in Norfolk with a loan from Madison County Bank. Madison County funded the loan with a discounted advance through FHLBank Topeka's Community Development Program.

Jeff Warnemundee, president of Madison Country Bank, said the discount was what interested him in the program.

"That's the first (CDP advance) we have ever done," he said. "We were already going to finance the project. Our goal with (CDP) was to get a lower rate on borrowing."

With funding in hand, the Well completed renovations on the apartment complex in 2020 and opened the Mommy and Me program as well as additional office space in the facility.

Jeff said funding the project was one of the feel good aspects of his job.

"The people they serve are at the end of their rope, and this organization steps in to provide a safe, supportive place to rebuild their lives," he explained. "If you've ever had to rebuild your life, it's a lonely road. It makes you feel good about what you do to be able to help this very well run organization in our community."

2009

Grants to first-time homebuyers reach $20 million.

2010

The RFHP officially changes to the Homeownership Set-aside Program. Fifty grants are awarded that year.

2011

2012

2013

2014

FHLBank Topeka awards $750,000 to four different AHP projects, the largest grants in program history at that time.

2015

2016

The 500th rental project awarded funding through FHLBank Topeka's AHP is completed.

COVID-19 RELIEF

'Just Trying to Survive'

Members use discount COVID advances to help struggling businesses

From barber shops to bar and grills, businesses across Nebraska shut down in the spring of 2020 as the COVID-19 pandemic worked its way toward the Midwest.

Thinking back, 1st State Bank CFO Randy Waskowiak said uncertainty ruled the day.

"There was a lot of unknown out there — Restaurants were carry out only. Beauty shops couldn't serve their clientele," he said. "Businesses of all sizes — some big, some small. They were just trying to survive."

Serving Nebraskans for more than 100 years, 1st State Bank was compelled, Waskowiak said, to continue helping their communities stay afloat.

To do so, the financial institution turned to FHLBank Topeka and took out two COVID-19 Relief advances, worth a total of $8 million.

"We serve five communities across Nebraska," Randy said. "That money allowed us to target those communities and be a caring partner during this time."

Struggling businesses, of course, weren't specific to Nebraska. Across the Tenth District, individuals and businesses looked to their local financial institutions for assistance with loan payments, employee salaries or simply help keeping their doors open.

It was these great needs that spurred FHLBank Topeka to offer two different COVID-19 Relief Advances in April — $1.5 billion available at zero cost to members and $1.5 billion available at cost.

Between April and July, FHLBank lent more than $1 billion through the two types of COVID Advances, with more than 200 member institutions taking advantage of the special financing.

Comments from members were those of gratitude and relief.

• "Thank you, thank you, thank you! This helps us so much!"
— ACB Bank in Cherokee, Oklahoma

• "Tell the powers that be how much we appreciate this. It helps us solidify our position with our customers and help some non-customers too!"
— Cattle Bank and Trust in Seward, Nebraska

• "Really enjoy (our) FHLB relationship. This will help our customers a lot."
— SNB Bank in Shattuck, Oklahoma

Closer to home in Topeka, the money meant security amidst uncertainty.

"We didn't know what would happen," said Bob Kobbeman, Chief Banking Officer at Capitol Federal. "What kind of demand would we have? How would the depositors react? Would people be more cautious? But we knew we had somewhere to go (with FHLBank Topeka). We had a safety net."

It was a safety net, Randy said, 1st State Bank could stretch across all the communities they serve.

"The money gave businesses the flexibility they needed to make it through," he explained. "It allowed us to support our customers in their time of need."

2017

2018

FHLBank Topeka's AHP reaches a new high when eight projects are awarded $1 million in funding.

2019

2020

The 1,000th AHP project is completed, and FHLBank hits $70 million in first-time homebuyer awards.



#500FORGOOD

Greater Need, Greater Funds

FHLBank increases #500forGood winners as applications rise

Since 2018, FHLBank Topeka's #500forGood campaign has asked members how $500 could make a difference in their community.

In 2020, more institutions answered than ever before.

Because the need was so great and the projects so deserving, FHLBank doubled the #500forGood recipients from eight to 16 this year. The following are the 2020 winners and the causes each is supporting.

Colorado

Century Savings and Loan
Trinidad, Colorado
Food donations to a local shelter

Denver Community Credit Union
Denver, Colorado
Children's books for public library

Mercy Community Capital
Denver, Colorado
Mentors for at-risk youth

Kansas

Bank of Hays
Hays, Kansas
STEM education for local school

Kansas Teacher's Credit Union
Pittsburg, Kansas
Holiday presents for low-income kids

Impact Bank
Wellington, Kansas
Donation to local children's home

Farmers & Drovers Bank
Council Grove, Kansas
Giftcards for health care workers

FNB Washington
Washington, Kansas
Medical service and guide dogs

Nebraska

Pinnacle Bank
Osceola, Nebraska
Donation to high school charity

Scribner Bank
Scribner, Nebraska
Replenish supplies at local food bank

Cobalt Credit Union
Papillion, Nebraska
Household items for veterans

Elkhorn Valley Bank & Trust
Norfolk, Nebraska
Masks and sanitizer for local shelter

Oklahoma

The First State Bank
Oklahoma City, Oklahoma
Assistance for minorities

Cherokee Strip Credit Union
Ponca City, Oklahoma
Animal Assisted Learning

First National Bank& Trust Co.
Shawnee, Oklahoma
Winter gear for children

Bank of Grand Lake
Grove, Oklahoma
Food and toiletries for people in need

FHLBANK HCD PROGRAMS

PROGRAM	USES	BENEFICIARIES	FUNDING	TERMS
Affordable Housing Program (AHP) Owner-occupied and Rental	Gap financing for the acquisition, rehabilitation, or new construction of owner-occupied and rental housing	Households with income at or below 80% of the Area Median Income (AMI)	Grants of up to $750,000 per project $13,361,654 approved in 2020	• Competitive program • Must meet regulatory guidelines and eligibility/ feasibility requirements • Must demonstrate need for subsidy • 5-year retention period for owner-occupied purchase projects and 15-year retention period for rental projects • Owner-occupied rehabilitation is not subject to retention
Homeownership Set-aside Program (HSP)	Down payment, closing cost and purchase-related repair assistance	First-time homebuyer households in FHLBank's district with incomes at or below 80% of the AMI	Grants of up to $5,000 per household More than $7,200,00 approved and more than 1,450 first-time homebuyers assisted in 2020	• Non-competitive program • Must meet regulatory guidelines and eligibility/feasibility requirements • 5-year retention period
Community Development Program (CDP)	Financing for qualifying commercial loans, farm loans and community and economic development initiatives	Small businesses, farms, agribusiness, public or private utilities, schools, medical and health facilities, churches, day care centers or other community and economic development projects	Regular, callable and amortizing fixed rate or adjustable rate advances with a minimum amount of $10,000 priced below FHLBank's regular rates $116,200,300 of approved applications in 2020	• Non-competitive; available terms from four months to 30 years • Eligibility requirements apply • Members must comply with FHLBank credit guidelines
Community Housing Program (CHP)	Financing for owner-occupied and rental housing	Households earning at or below 115% of the AMI	Regular, callable and amortizing fixed rate or adjustable rate advances with a minimum amount of $10,000 priced below FHLBank's regular rates $71,014,000 of approved applications in 2020	• Non-competitive; available terms from four months to 30 years • Eligibility requirements apply • Members must comply with FHLBank credit guidelines

COMMUNITY DEVELOPMENT RESOURCES

	AHP	HSP	CDP	CHP
Housing for Underserved Populations	X	X		X
Service-Enriched Housing	X			X
First-Time Homebuyer Assistance	X	X		
Small Business Lending			X	
Owner-Occupied or Rental Lending				X
Community Support Activity	X	X	X	X
Potential CRA Credits	X	X	X	X



AHP IN 2020

Community Lending Overview

FHLBank's Community Lending programs — the Affordable Housing Program (AHP), Homeownership Set-aside Program (HSP) and Community Housing Program/Community Development Program (CHP/CDP) — have supported affordable housing and community lending in Colorado, Kansas, Nebraska and Oklahoma since 1990.

The following is an overview of the programs.

AHP
For the past 31 years, FHLBank has awarded funds to 1,046 AHP projects, net of withdrawn projects. These funds have supported more than 46,000 units of affordable housing targeted to households earning at or below 80% of the Area Median Income (AMI). A breakdown of the project types and finding is illustrated below in Table No. 1.

HSP
FHLBank began an owner-occupied set-aside program as part of the AHP in 1997 to provide first-time homebuyers with funds for downpayments, closing costs and repairs in conjunction with the purchase of a home. Homebuyers must have incomes at or below 80 percent of AMI. Since 1997, FHLBank has supported 15,188 first-time homebuyers with $72,481,004 in HSP funds.

CHP/CDP
FHLBank has supported members' community lending by offering discounted advances for affordable housing and economic development projects since 1990.

Throughout the past 30 years, FHLBank has approved 3,264 projects requesting $8.7 billion of specially priced CHP and CDP advances. These projects have impacted 89,995 units of owner-occupied and rental housing to households earning at or below 115% of the AMI. In addition, the economic development projects approved supported the creation or retention of 8,880 jobs.

A Closer Look

The following sections further detail the impact of FHLBank's Community Lending programs in 2020.

AHP
The 2020 AHP competitive application round resulted in 21 awards, an increase from the 15 awarded projects in 2019. Geographically, Colorado showed an increase in the number of applications (six in 2019 to 10 in 2020) and awards (one in 2019 to three in 2020).

The number of awards were otherwise spread relatively equally across the other three district states. Member participation was also equally distributed. No out-of-district applications were submitted. See Table No. 2 for the full numbers.

FHLBank's statutory annual AHP funding contribution must equal at least 10% of net earnings for the prior year. Since 2016, FHLBank Topeka statutory contributions have ranged from a high of $21.9 million in 2017 to $13.1 million in 2020.

TABLE NO. 1 AHP Projects Since 1990

Housing Type	Projects	Housing Units	AHP Awarded	Development Cost
Rental	684	28,803	$166,876,433.00	$2,705,145,002.00
Owner-Occupied	362	17,348	$83,838,176.00	$1,272,765,349.00
TOTAL	1046	46,151	$250,714,609.00	$3,977,910,351.00

TABLE NO. 2 2020 AHP Competitive Round

Application Status	Total	CO	KS	NE	OK	Out of District
AHP Applications Received	60	10	17	16	17	0
Board-approved Projects	21	3	6	7	5	0
Board-designated Alternates	6	0	1	1	4	0
Applications Not Approved	30	7	9	6	8	0
Withdrawn/Ineligible Applications	3	0	1	2	0	0
Members Participating	30	7	9	8	6	0

One effect of the COVID-19 pandemic on FHLBank has been the reduced need from members for liquidity and long-term funding. As a result, in 2021, FHLBank will have a reduction of $7.5 million in funds for the AHP and HSP. The AHP accrual for the past five years was $16.3 million in 2020, $21.9 million in 2019, $18.9 million in 2018, $20.6 million in 2017 and $13.1 million in 2016.

In 2020, FHLBank Topeka rental projects targeted 30% of units to extremely-low-income households, compared to 24% Systemwide. For owner-occupied, FHLBank projects targeted only 2% of units to extremely-low-income households. Table No. 3 has a full breakdown.

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TABLE NO. 3 Household Income Distribution for 2020 AHP Projects

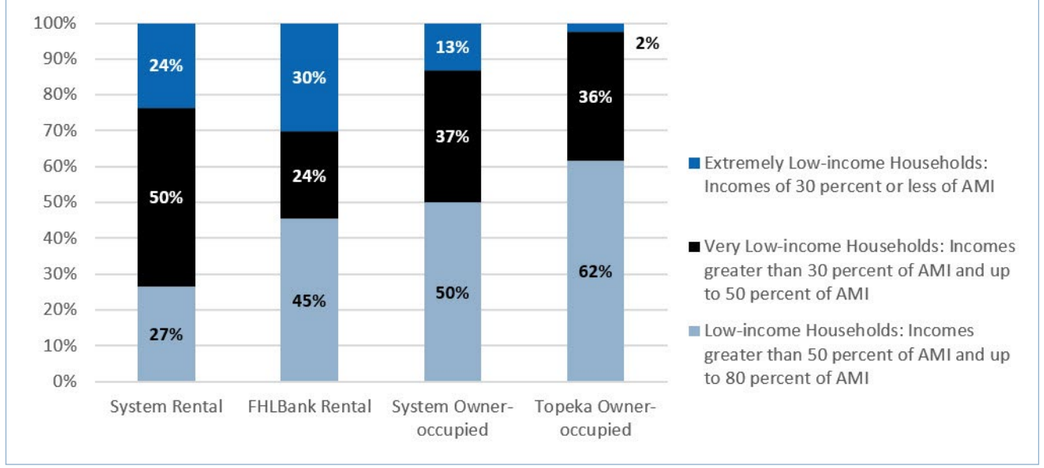
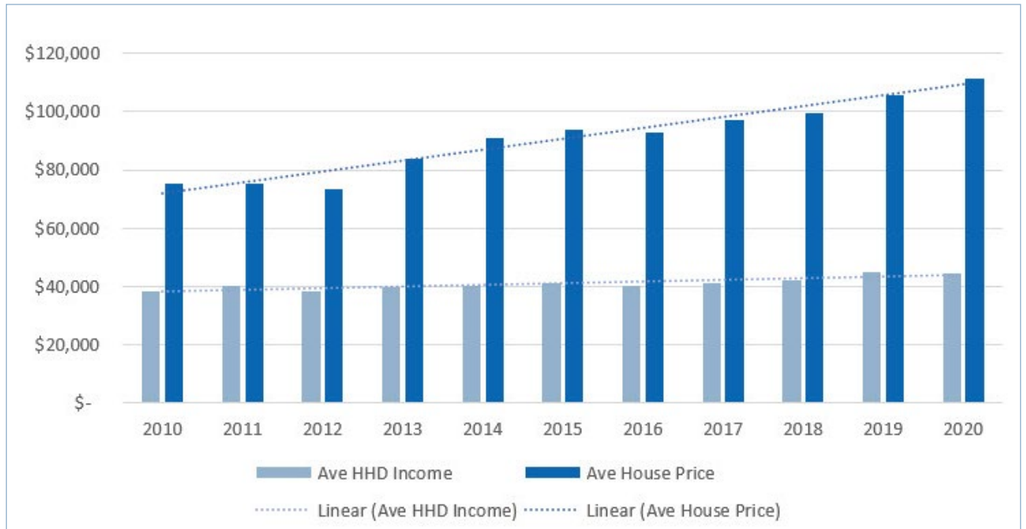


TABLE NO. 4 Growing Homeownership Affordability Gap



For both rental and owner-occupied projects, FHLBank targeted a greater proportion of housing units to households greater than 50% up to 80% of AMI. Table No. 3 has a comparison of FHLBank and System projects.

HSP

HSP funds in 2020 were fully reserved on Aug. 4, 2020, by nearly 150 unique FHLBank members.

As of Dec. 31, 2020, HSP subsidy in the amount of $7,059,039 had been disbursed to 149 unique members providing downpayment and closing cost assistance for 1,427 first-time homebuyer households. These households were located in 465 ZIP Codes across FHLBank's four-state district.

The table below illustrates disbursements by those four states demonstrating that Kansas most fully utilizes the HSP with Colorado continuing to lag far behind the other district states. AHAC will discuss HSP in Colorado in 2021 in an attempt to increase member participation.

The homeownership affordability gap continues to increase in FHLBank's district, as illustrated in Table No. 4. The ratio of average house price to average household income has increased from 1.97 to 2.50 over the past 11 years.

TABLE NO. 5 2020 HSP Disbursements by State

Housing Type	Colorado	Kansas	Nebraska	Oklahoma	TOTAL
Households	5	788	519	115	1427
HSP Funds	$25,000	$3,881,419	$2,581,540	$571,080	$7,059,039.00
Members	1	79	55	14	149

CHP/CDP

FHLBank member participation by state in the CHP/CDP discounted advance programs is similar to the HSP.

The state with the lowest participation is Colorado while the state with the greatest member participation is Kansas. A single member submitted projects in Colorado consisting of a single-family loan with the remainder agricultural loans.

Kansas projects were mostly a mix of small business and agricultural loans with six members proposing to fund single-family and rental housing loans as well.

Nebraska members applied for CDP mainly to fund agricultural loans in 2020 with the majority of the job impact in three small business projects.

Two Nebraska members applied for CHP funds for rental housing units. Although the number of projects and participating members in Oklahoma lags Kansas and Nebraska, Oklahoma members sought more funding through CHP and CDP and supported more housing units than any other state.

Oklahoma projects were a mix of commercial loans and housing projects. Rental housing projects were approved for two members with one Oklahoma member submitting applications for single-family housing loan pools. The out-of-district projects support rental housing and were submitted by a Community Development Financial Institution member. Participation in the 2020 CHP and CDP is detailed in Table No. 7.

A continuing trend in member usage over the past five years is the lower volume of advances. See Table No. 6. Although advances to support owner-occupied and rental housing projects has increased by nearly $20 million the past three years, the overall trend has been a lower volume of advances.

Members took $42 million less in CHP/CDP advance funding in 2020 than in 2015. Project sizes are decreasing as some members moved away from loan pool projects due to sufficient liquidity from non-FHLBank sources.

TABLE NO. 6 CHP/CDP Advances by Type

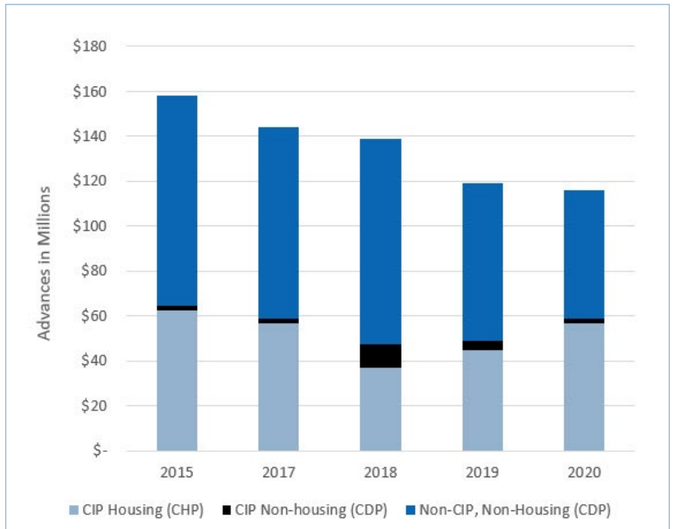


TABLE NO. 7 CDP/CHP Participation in 2020

State	Colorado	Kansas	Nebraska	Oklahoma	Other	TOTAL
Projects	7	38	35	17	3	98
Advance Commitment	$2.8 m	$54.7 m	$40.2 m	$83.9 m	$5.6 m	$187.2 m
Housing Units	1	243	35	695	212	1,186
Job Impact	5	84	232	45	0	365

AHAC CHAIR *Continued from page 2 · Click to jump*

3 The rising costs of developing large affordable housing projects in areas that require larger amounts of AHP benefit from economies of scale and are more likely to utilize experienced grant writers to access additional funding and larger amounts of AHP.

The 2021 Implementation Plan was amended to better align with housing needs identified by the AHAC and supported by data in FHLBank's Targeted Community Lending Plan.

- Added a five-point scoring criterion to support home purchase by Low- or Moderate-income Households.
- Added a new five-point scoring criterion for Rental Housing for Extremely Low-income Households to support the need for assistance to the income bracket most likely to be cost burdened.
- Revised FHLBank district priorities to include a five-point scoring criterion for Low Cost Development per Unit.

All provisions of the FHFA AHP Final Rule will be incorporated in the 2021 Implementation Plan. However, AHAC did not identify a specific housing need to be addressed through a Targeted Fund at this time.

Moving forward, FHLBank will monitor the impact of the COVID-19 pandemic on affordable housing and discuss district housing priorities.

These key points demonstrate FHLBank's commitment to its members, their communities and the affordable housing population through Colorado, Kansas, Nebraska and Oklahoma.

Claudia Brierre

AHAC Chair

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