



# Community Support Program and Targeted Community Lending Plan

December 16, 2022

Effective January 1, 2023

## 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 Grants
    - b) 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 F 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 HSP, AHP, CHP, and CDP 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 five years, FHLBank Topeka presented members with a \$500 question – “How would members use \$500 to help their communities?” In 2022, FHLBank expanded the pool to greater serve the needs of our members’ communities with 41 \$500 checks awarded. Moving forward, FHLBank expects to award a similar level of funding. FHLBank plans to continue the program in 2023.

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 2023:

- Maintain CHP/CDP advance balances between 1.0 and 2.0 percent of FHLBank’s total assets;
- Approve 85 or more CHP/CDP applications;
- Approve CHP/CDP applications from more than 40 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, 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. **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.

**VI. 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 occur in 2023.

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.

**VII. 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: Definitions

**EXHIBIT A**

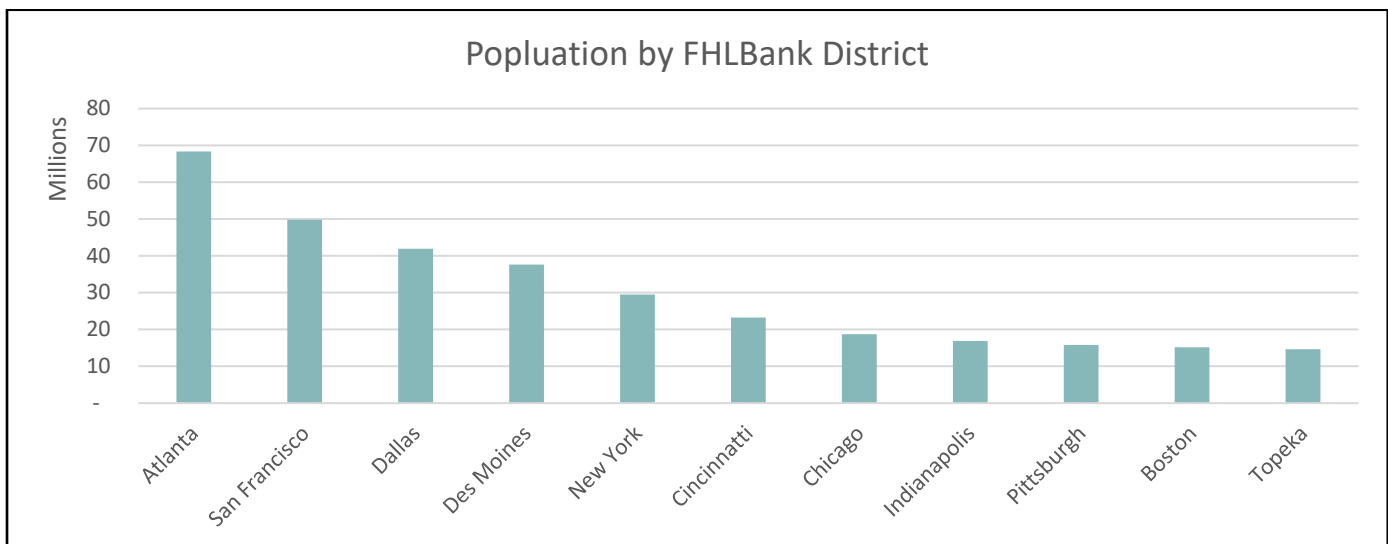
**Affordable Housing Needs, Community Lending (including CHP and CDP), and Quantitative Targeted Community Lending Performance Goal Attainment**

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:

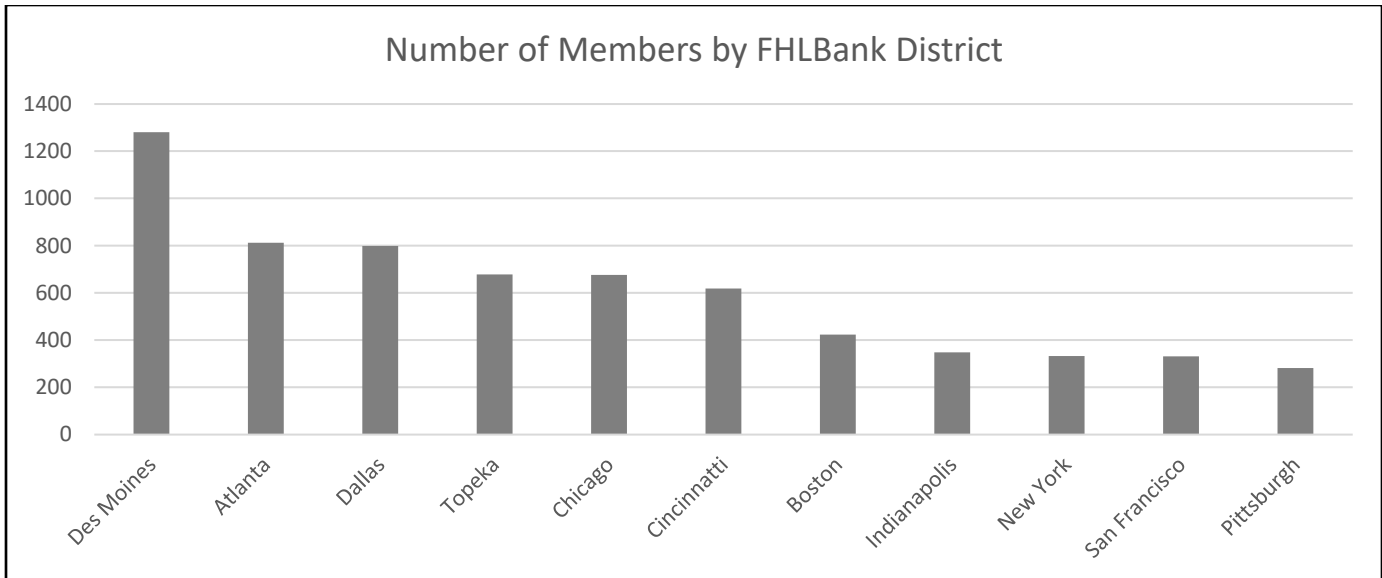
- **Geographic Dispersion** – Participation in the HSP, CDP, and CHP in Colorado lags participation in the other District states. HCD staff continues outreach efforts to members and AHP project sponsors in Colorado with guidance from the AHAC.
- **Homeownership Affordability** – Data from Homeownership Set-aside Program (HSP) participating households shows the ratio of average house price to average household income increased from 1.97 to 2.70 over the past 13 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. AHAC encouraged HCD to contact the smaller Tribes in the District to offer technical assistance with applications for AHP funding.
- **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. FHLBank members are actively engaged in community lending as demonstrated by 100 percent of members in compliance status for the 2021 Community Support requirements.

**About FHLBank Topeka**

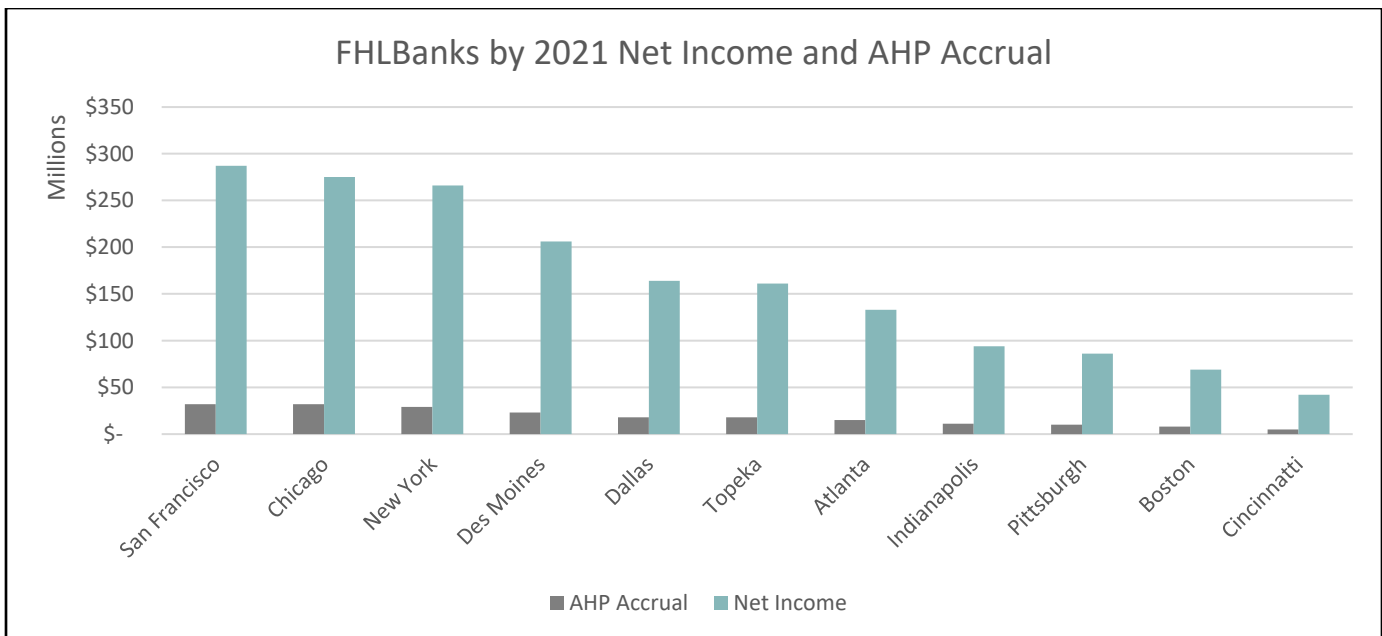
FHLBank serves financial institution members in Colorado, Kansas, Nebraska, and Oklahoma. The District is mostly rural with only three Metropolitan Statistical Areas in the top 50 nationally: Denver, Oklahoma City, and Kansas City (shared with Missouri). As a result, the District has the smallest population of the 11 Federal Home Loan Banks.



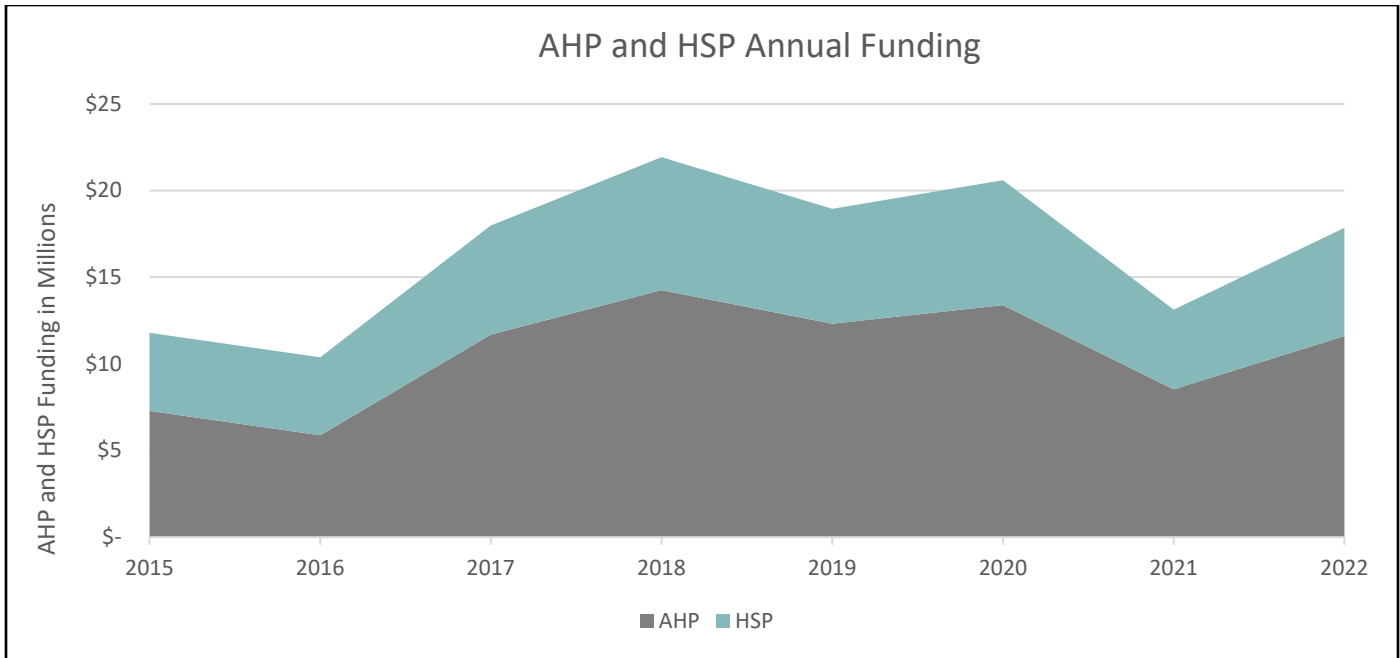
The population of the District is currently served by 678 members of FHLBank. The majority of these members are considered Community Financial Institutions (CFI) with deposits insured by the Federal Deposit Insurance Corporation and total assets under the CFI cap. As of January 1, 2022, the CFI cap as determined by the FHFA is \$1.323 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 set-aside from the previous year’s net income. Despite having the smallest population of all Federal Home Loan Banks, FHLBank’s earnings and the funds accrued for the AHP rank sixth among the Federal Home Loan Banks.

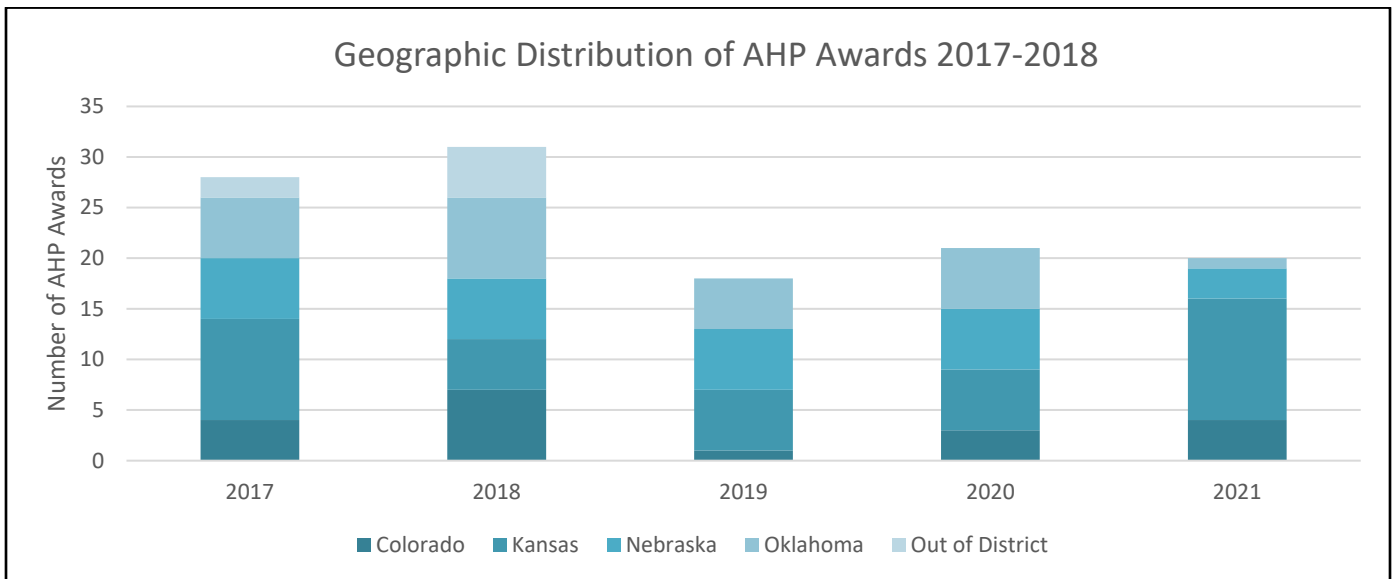


Since 2015, FHLBank has allocated the greater of 35 percent of the prior year AHP accrual or \$4.5 million to the HSP. FHLBank and its members are committed to promoting homeownership by first-time homebuyers in the district with this commitment to funding the HSP.



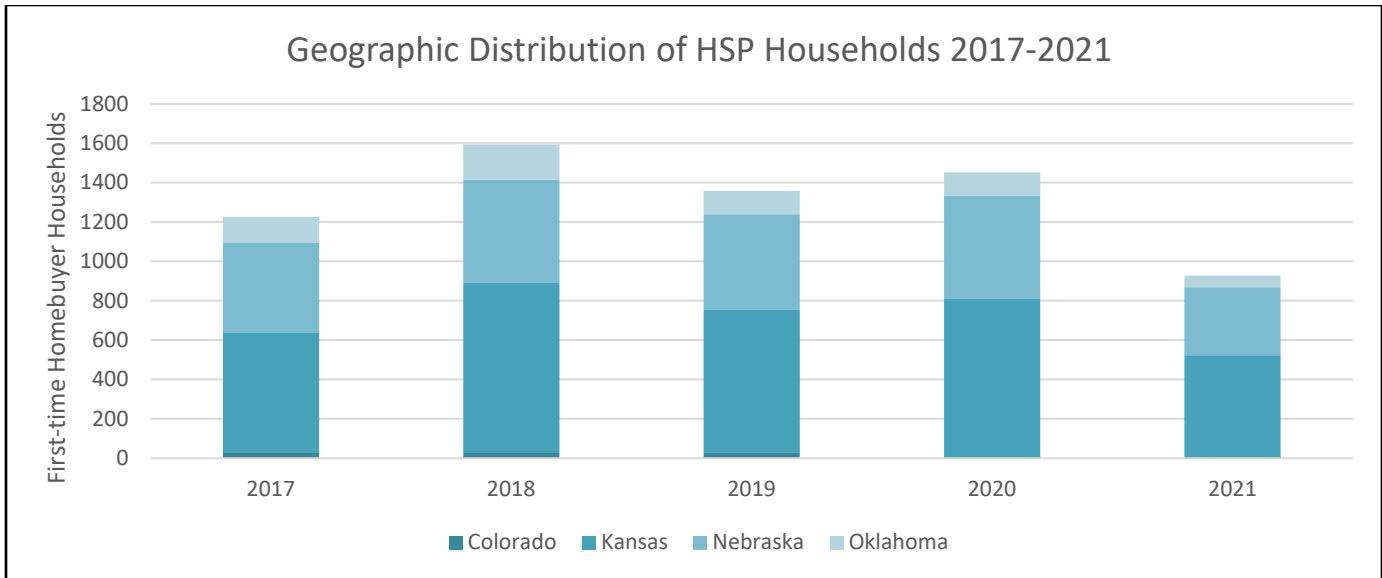
**Geographic Dispersion**

All states in the District have received at least one AHP award from the funds available in the last five AHP funding rounds. 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 and has resulted in an AHP award in every state, every year.

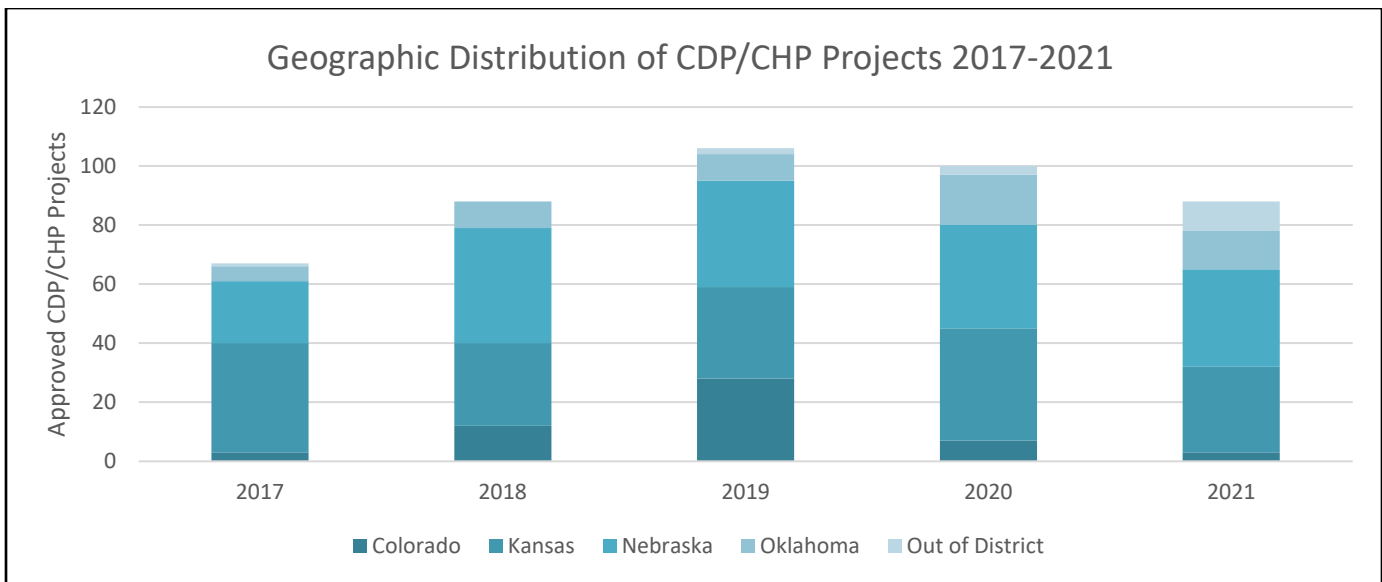


The HSP also reaches all four states; however, participation by members in Colorado, and to a lesser extent in Oklahoma, has significantly lagged the other District states. HCD staff have continued outreach efforts in Colorado and Oklahoma. In 2021 the maximum HSP subsidy per household was increased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



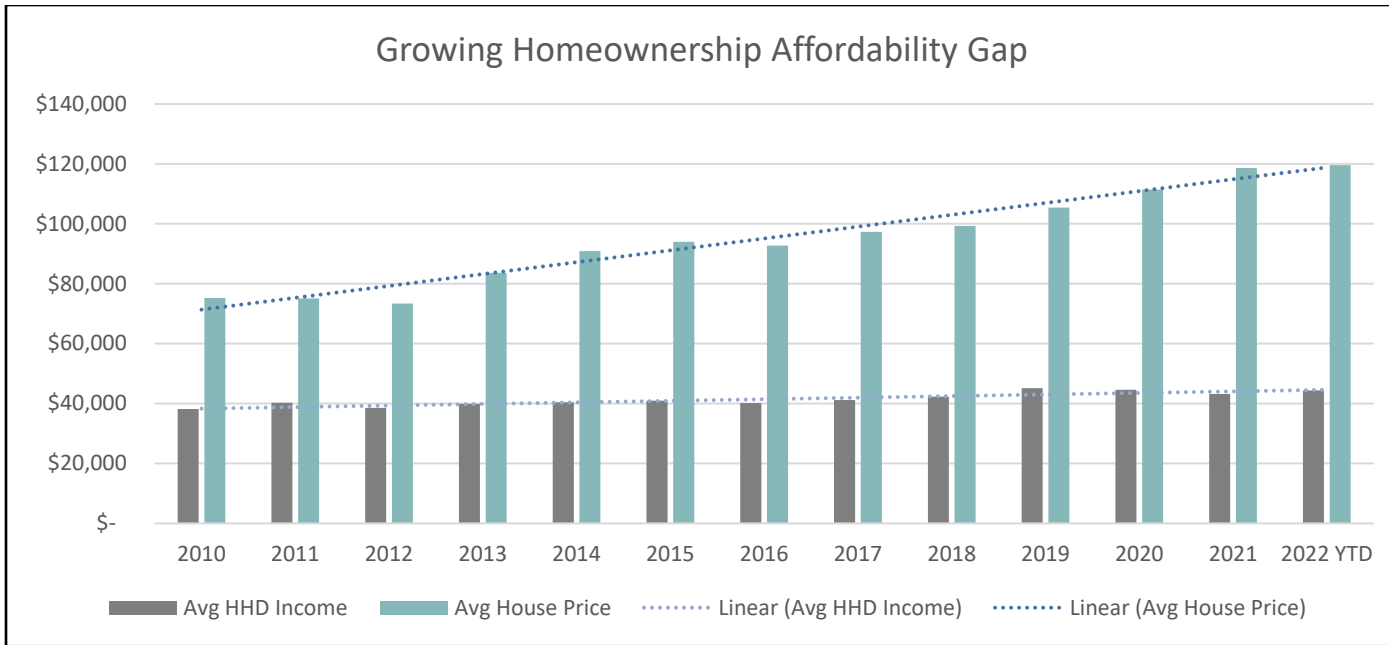


Distribution of CDP and CHP projects likewise is predominately in Kansas and Nebraska, with a lower level of participation by members funding projects in Colorado and Oklahoma. All states have projects approved for funding from FHLBank members using the CDP and CHP.



### Homeownership Affordability

The homeownership affordability gap continues to increase in FHLBank’s District. Using data from FHLBank’s HSP, the growing gap is demonstrated by contrasting a 13-year average household income growth of \$6,188 with the increase of \$44,291 in the average house price. The ratio of average house price to average household income has increased from 1.97 to 2.70 over the past 13 years. Data for 2022 year to date includes the January to June 2022 time period. 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 to \$44,358 but is still below the average of \$45,108 in 2019.



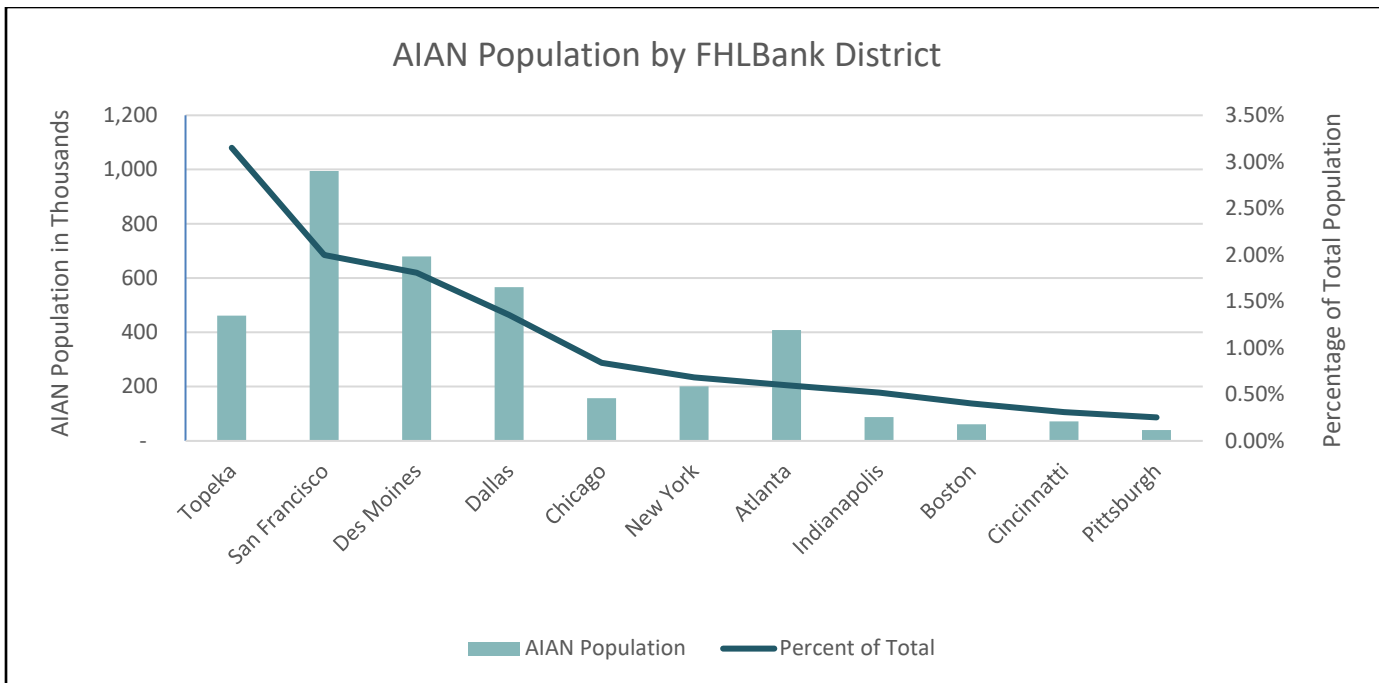
AHAC discussions have included the high cost of housing in Colorado has made homeownership nearly impossible for low- to moderate-income households without the infusion of significant subsidy. AHAC also provided input for HCD to consider when attempting to increase participation in the AHP and HSP by 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. For 2022, the baseline CLL is \$647,200, an increase of \$98,950 from \$548,250 in 2021. 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.

An option is being added for HSP down payment assistance targeted to first-time homebuyers purchasing homes in High-cost Areas noted above. Available assistance in High-cost Areas will be \$750,000 of the HSP portion of the annual AHP accrual. The maximum HSP subsidy per household in High-cost Areas is set at \$15,000 with a member limit set at \$45,000 per month. A provision is added to the AHP Implementation Plan to evaluate unreserved funds for High-cost Areas on the first business day of each month beginning July 1, 2023, for continuation of the program or reallocation of unreserved funds to the non-High Cost Area HSP.

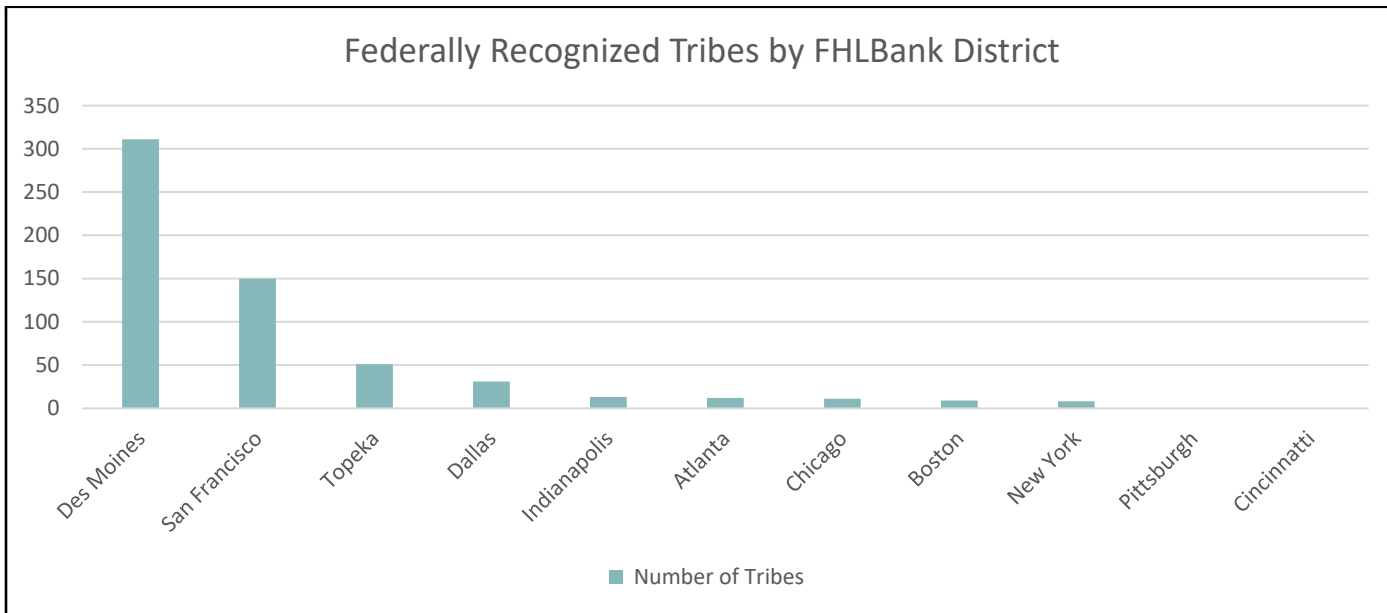
**Native American Housing Needs**

The U.S. Census estimates 3.7 million persons in the nation identify as American Indians or Alaska Native (AIAN). FHLBank’s AIAN population represents the largest share of any Federal Home Loan Bank District and is nearly three times the national share of 1.12 percent. The majority of the AIAN population in FHLBank’s District live in Oklahoma (332,791) with the remainder in Colorado (74,129), Kansas (30,995), and Nebraska (23,102).



Housing and other assistance for AIAN persons is generally provided through a Federally Recognized Tribe. These American Indian or Alaska Native tribal entities are recognized as having a government-to-government relationship with the United States, with the responsibilities, powers, limitations, and obligations attached to that designation, and are 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.

FHLBank’s District, despite having the smallest population of all Federal Home Loan Bank Districts, has a significant AIAN population. FHLBank has the third most Federally Recognized Tribes located in its District.



Some of the challenges faced by AIAN communities are:

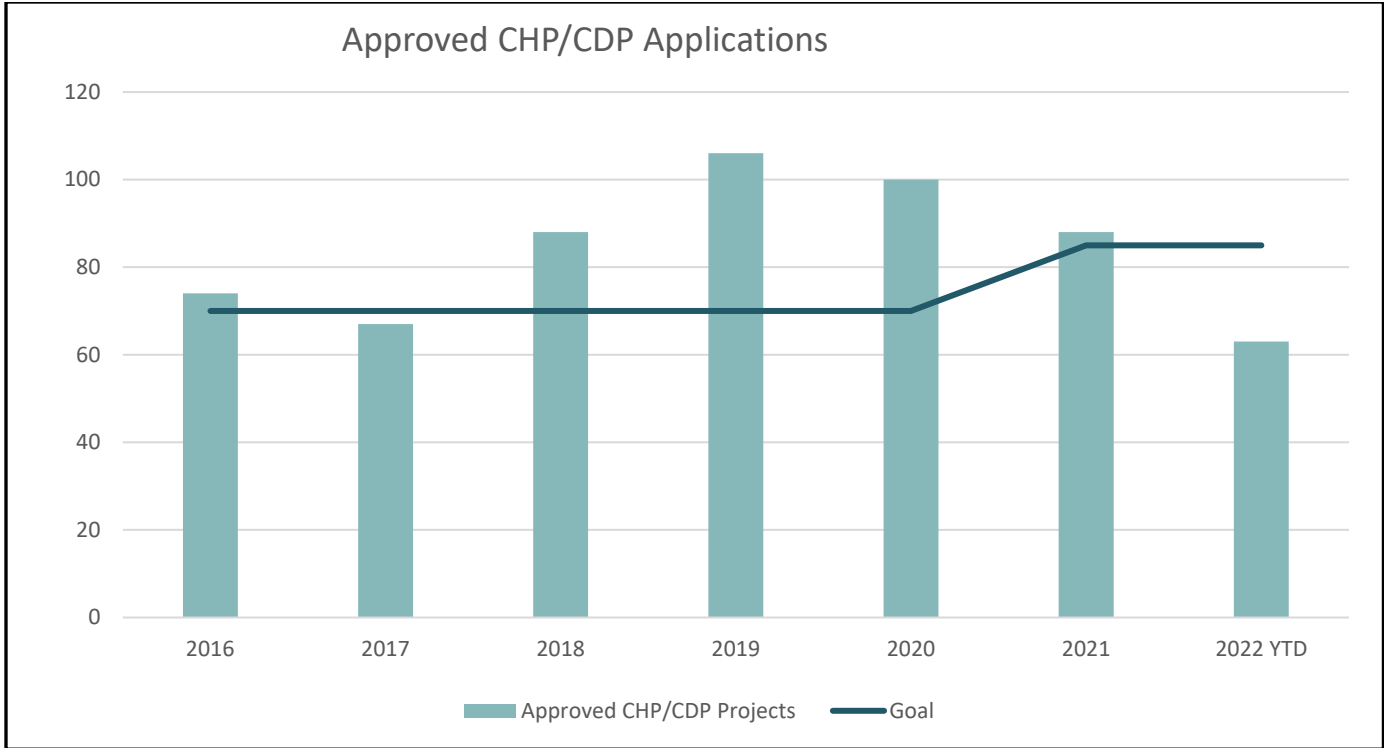
- Tribes need more single-family and multifamily housing options, including both owner-occupied and rental.
- Tribes take part in constructing affordable housing units with Federal government funding but need additional sources of funds.
- Native American populations tend to be poorer and less educated than the general population.
- Native American populations include a high number of multi-generational households.
- Native American populations have a higher percentage of veterans.
- Tribal residents may live far from existing municipal or rural water and sewer lines and may not have access to reliable internet or other services.
- Like general population low- to moderate-income families, Tribal members are unable to provide the required down payment and closing costs to purchase a home.
- Like housing stock in non-tribal areas, Tribal areas consist of housing stock that requires maintenance and repair, including roofs, accessibility, and weatherization.
- Most low-income Tribal rental properties have waiting lists.

To address these housing challenges, AHAC discussed outreach to Native American Tribes and housing providers to generate participation in FHLBank programs. HCD will conduct outreach in 2023 to smaller Native American Tribes that may lack awareness of the programs available. The simplest way in which to help Tribal needs is with owner-occupied housing rehabilitation, which does not require retention agreements. HCD will also contact Native CDFIs to partner with their unique loan products. In addition, the 2023 AHP scoring is enhanced in two areas to add points directed to Native American housing as indicated in the AHP Scoring Criteria section below.

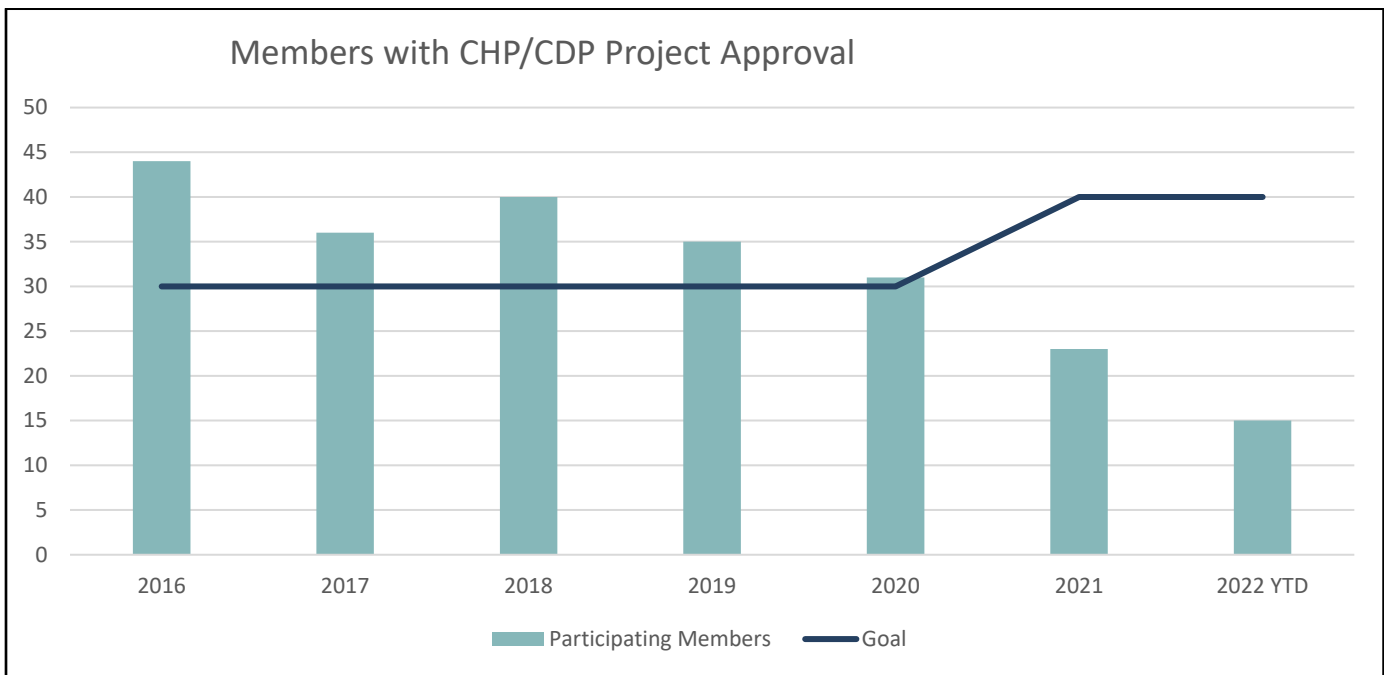
### **Quantitative Targeted Community Lending Performance Goal Attainment**

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 2022 Plan.

Approved CHP/CDP applications through September 30, 2022 are not tracking to meet the goal of 85 approved projects established for 2022. The number of approved applications began trending downward in 2020 due to member liquidity and continues due to increased interest rates. Members participating in the programs continue to prefer match-funding individual projects to bundling projects in loan pools. The most common project in 2022 consists of members assisting their customers to consolidate and refinance commercial or agricultural debt to lower debt service payments and to shorten the term to maturity.

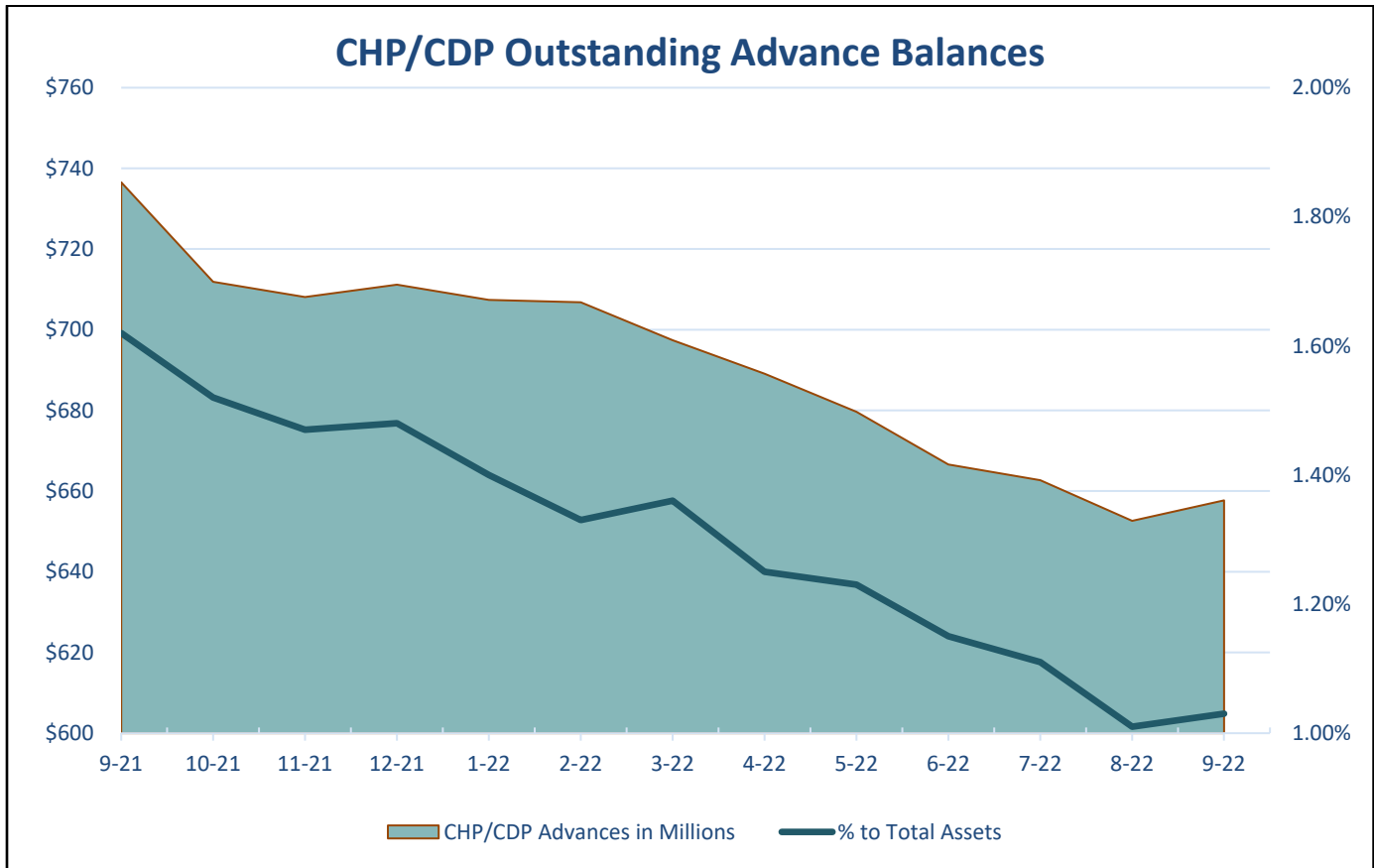


The number of FHLBank members participating in the CHP/CDP through September 30, 2022, is not tracking to meet the established goal of 40 members in 2022. The goal was not met in 2021 with member participation declining annually since 2019. Prior to recent interest rate increases, past participants were returning to the program to lock in low interest rates for projects in the communities they serve. Members that have primarily utilized the programs for liquidity funding in the past have nearly all stopped participating in the CHP/CDP due to continuing excess liquidity. The result is reduced member participation in the CHP/CDP.



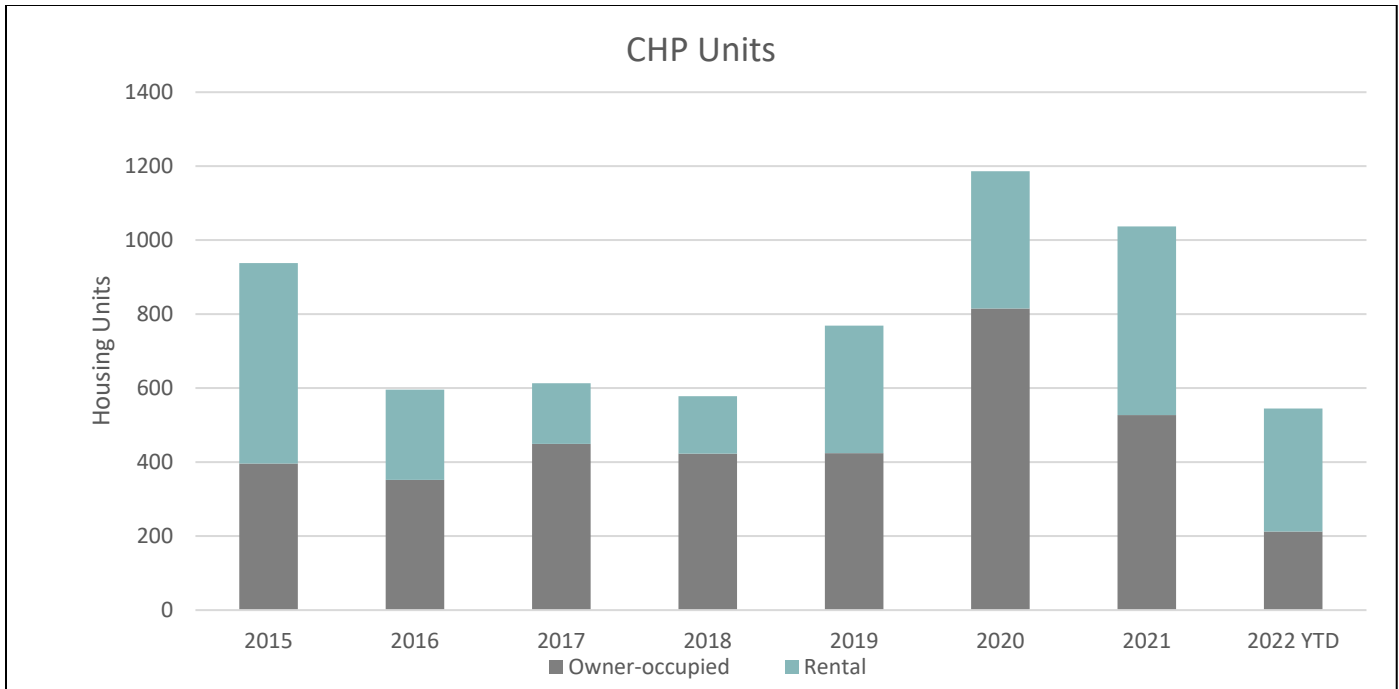
The outstanding balance of CHP/CDP advances grew slightly in September but generally continues to decrease as advance repayments exceed new advances taken. Outstanding CHP/CDP advances are nearly \$79 million less than

one year ago. FHLBank’s advance portfolio continues to grow post-pandemic, with CHP/CDP advances slightly more than one percent of total assets as of September 30, 2022.

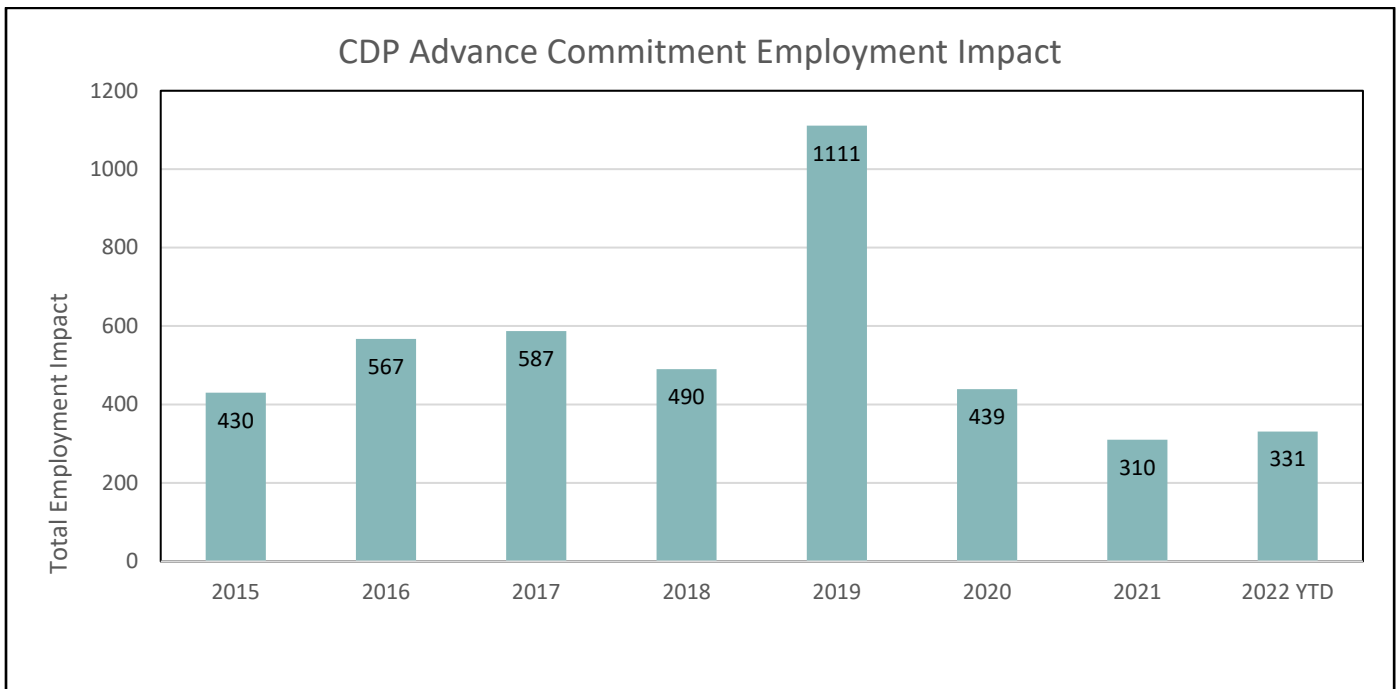


**FHLBank Member Use of the CDP and CHP**

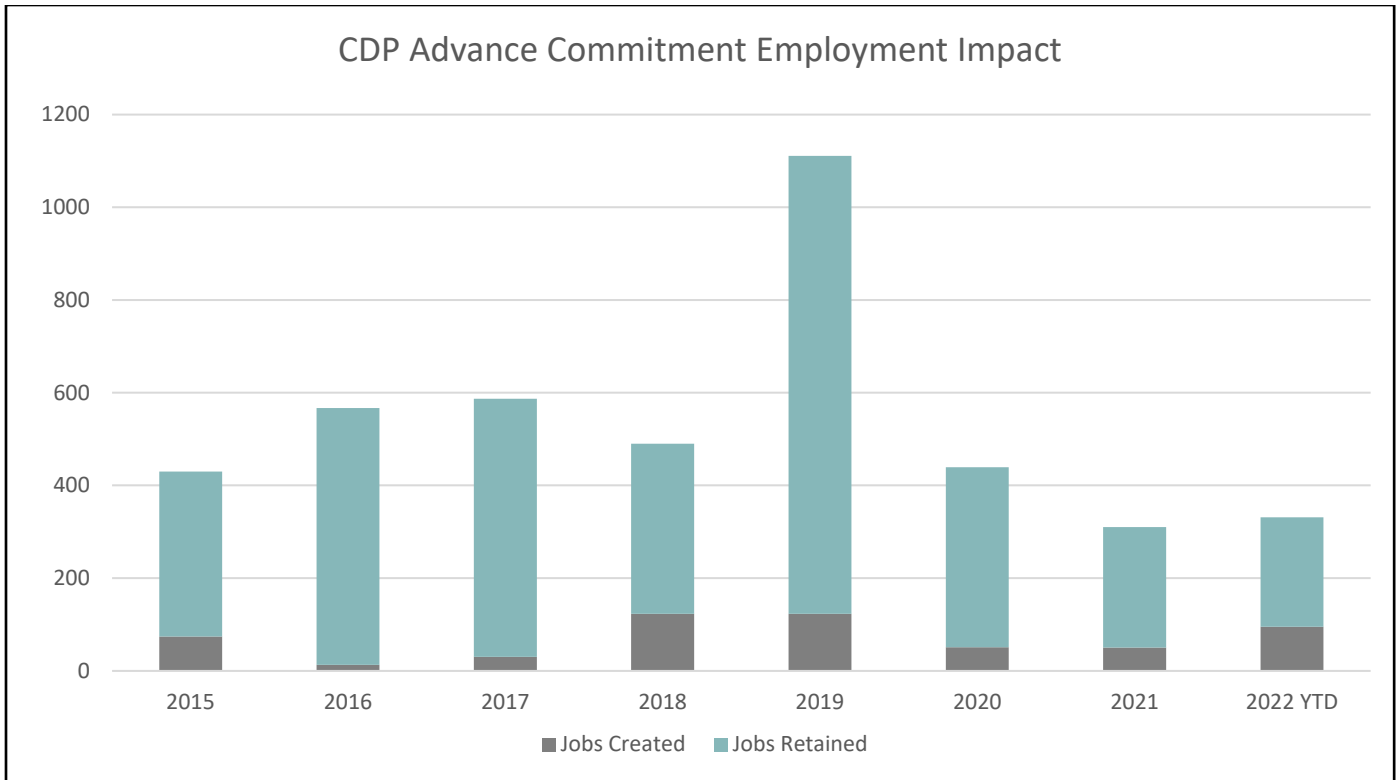
Members continue to positively impact the communities they serve through the use of CDP and CHP funding. Typically, members elect to match-fund rental projects using CHP advances. Owner-occupied projects are primarily loan pools where the member funds the expected duration of the pool. Owner-occupied 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 created a significant increase in housing units funded with CHP during the pandemic in 2020 and 2021. Due to increasing mortgage interest rates in 2022, the number of such applications has declined year to date, with fewer housing units funded using the CHP. Data for 2022 year-to-date is through September 30, 2022.



Members also benefit their communities by funding loans that result in the creation or retention of jobs. Except for 2019, the employment impact of the CDP has ranged between 400 to 600 jobs in prior years. 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 in 2020 and 2021 may be related to lower employment levels resulting from the pandemic. Employment impact increased slightly year to date in 2022. Data for 2022 year-to-date is through September 30, 2022.



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, increased slightly following the pandemic in 2020 and 2021. Data for 2022 year to date is through September 30, 2022.



**AHP Scoring Criteria**

Scoring for applications under the AHP General Fund in 2023 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). Sponsorship by Not-for-Profit or Governmental Entities has been modified for 2023 to recognize and award five points to projects sponsored by Federally Recognized Tribes, Tribally Designated Housing Entities, Alaskan Native Villages, or the government entity for Native Hawaiian Home Lands.

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.

2023 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 has expressed a need for more senior housing
Special Needs		AHAC has discussed Native American housing needs, especially for smaller tribes with limited resources
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		



2023 AHP Non-required Scoring Criteria and Related Housing Needs		
Scoring Category and Scoring Selections	Points	Housing Need Addressed
<b>Creating Economic Opportunity</b>	10 points (variable) each selection limited to 5 points	
Homebuyer or Tenant Counseling		Cost burden and homeownership affordability
Financial Education		Cost burden and homeownership affordability
Sweat Equity		Homeownership affordability
<b>Community Stability</b>	10 points (variable) each selection is limited to 5 points	
Preservation of Affordable Housing		Owner-occupied rehabilitation
Adaptive Reuse		
<b>FHLBank Priorities</b>	30 points (variable) each selection is limited to 5 points	
AHP Subsidy Per Unit		Maximizing the number of units created
Member Financial Participation		
Federally Declared Disaster Area		
Low Cost Development Per Unit		Maximizing the number of units created
Residential Economic Diversity		
Overnight Homeless Shelters		Homelessness
In District		
	70 points	
Refer to 2023 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, Kansas

**Nebraska – 4**

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

**Oklahoma – 39**

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

**Tribally Designated Housing Entities (TDHE)**

**Colorado - 2**

- Southern Ute Indian Housing Authority
- Ute Mountain Ute 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 - 16**

- 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

**Native Community Development Financial Institutions (CDFI)**

**Colorado - 2**

- Oweesta Corporation
- Native American Bank, NA

**Kansas - 0**

**Nebraska - 2**

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

**Oklahoma - 7**

- 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
- Mvskoke Loan Fund

## 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.fhlbtopeka.com>.

When completing the application, members may request approval for:

- Previously Originated Loans: Loan(s) must be originated not more than three months prior to the date the advance will be taken. The project approval will expire three months from the date of the earliest funded loan; or
- Loans Not Previously Originated: The project expiration date will be three months following the project approval date.

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>.

When completing the application, members may request approval for:

- Previously Originated Loans: Loan(s) must be originated not more than three months prior to the date the advance will be taken. Members must submit a list of the loan(s) at time of application. The project approval will expire three months from the date of the earliest funded loan; or
- Loans Not Previously Originated: The project expiration date will be three months following the project approval date.

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 2023 is \$1 million.

#### 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 member (and \$500,000 per project) annually. Members may be approved for multiple grants but will be limited to the annual maximum. 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. Member and project funding limits remain 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. All funds must be disbursed by December 23, 2023.
- Multiple applications from a member will be considered up to the \$500,000 annual limit. Awards will be determined based on merit and funds availability at the discretion of FHLBank. In the event a member submits applications in excess of the limit, whether from different branches, officers, etc., FHLBank will consider applications in the order received.
- 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 approvals made by management will be presented to the Housing and Governance committee for informational purposes.
- 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, 2023. If funds are not exhausted by applications received during the application period, additional applications may be considered after the initial application period.

## EXHIBIT F Definitions

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

**AHP:** Affordable Housing Program

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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>.

**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.