



2019
**Making Moves
Together**

2019 FHLBank Chicago Community Investment Advisory Council Annual Report



Reflections from the Advisory Council Leadership

2019 has been a year of transition for the Community Investment Advisory Council. Many seasoned members completed their term on the council, and others arrived, bringing new energy and points of view. We (Jackie and David) began our first year as chair and vice chair, respectively, and the opportunity to lead this group of accomplished professionals has been both thrilling and humbling. The diversity and breadth of knowledge, experience, and expertise they bring to the council from their work in communities across our district enriches the insights we contribute to the FHLBank Chicago's Community Investment programs.



Reflections from the Advisory Council Leadership

In June, we were pleased to meet once again with the full FHLBank Chicago Board of Directors, and for the first time this meeting took place outside of Chicago, in Milwaukee. The change of venue presented an opportunity for the group to tour the Gerald L. Ignace Indian Health Center, a nonprofit community clinic (and 2018 Community First Award recipient) that provides access to comprehensive healthcare at low or no cost to vulnerable and underserved populations in the greater Milwaukee area. Representatives from Impact Seven, a nonprofit community development financial institution (and Community First Fund partner) that financed the health center's recent expansion, were on hand to provide an overview of the work they're doing throughout Wisconsin. For both our council and the Board of Directors, this was a chance to see firsthand how the Bank's Community Investment programs, collaborations, and funding partnerships are meeting the needs of communities in our district.

We recently returned from this year's Federal Home Loan Bank Affordable Housing Advisory Council Leadership Meeting in Washington, DC, where we were able to meet with our counterparts and staff from FHLBanks across the country. It was exciting to hear how other FHLBanks and their partners are addressing affordable housing needs in their districts, and to learn from their approaches to shared challenges. For example, we were inspired and enlightened by FHLBank members' presentations on the important intersections between housing and medical needs, and on efforts to achieve greater diversity and inclusion by reaching out to underrepresented students before they've settled on a career path.

Looking Forward to AHP Modernization

Since last November, when the Federal Housing Finance Agency released its final rule updating the FHLBanks' Affordable Housing Program (AHP) regulation, FHLBank Chicago staff have been planning the implementation of required changes to the program, some of which may be put into place as early as this year. Because a major focus of the Community Investment Advisory Council is to provide guidance on how the AHP affects the organizations and communities it serves, we will be working closely with Bank staff throughout 2020 as they manage this transition. We're eager to see how these long-awaited reforms will shape the AHP, making it more flexible and responsive to local needs within our district.

In service,

Jackie L. Newman

Community Investment Advisory Council Chair, Executive Director, Springfield Housing Authority

David Porterfield

Community Investment Advisory Council Vice Chair, Director of Real Estate Development, Movin' Out, Inc.

Weathering the Storm Together

In 2019, FHLBank Chicago's Community First® Disaster Relief Program provided \$265,000 in grants to support reconstruction efforts in Wisconsin and Illinois counties affected by severe storms, tornadoes, straight-line winds, and flooding. One of these communities, the small town of Elcho, was devastated by violent storms that blew a 15- by 20-mile path through Wisconsin's North Woods in July. Thousands of trees and hundreds of buildings were damaged, and residents were without power for several days. Antigo-based CoVantage Credit Union was unable to open its Elcho branch due to the outage, but its staff still went to work—assisting the local fire department with more than 320 hours of volunteer time conducting welfare checks, clearing debris, delivering water, and serving food, as well as an additional 100 hours of staff time assisting members with grant applications.

Soon, the credit union was also working on a special reduced-rate loan program for members recovering from the damage. In addition, through the Community First Disaster Relief Program, CoVantage was able to expand its storm relief efforts by distributing grant funds to individuals and small business owners. "In the wake of the storms, our community was struggling financially and emotionally," said Charlie Zanayed, President and CEO, CoVantage Credit Union. "The Disaster Relief Program was a way we could provide assistance to those who had damage, debris, and replacement costs, many of whom were low-income families or local businesses."

Through the Community First Disaster Relief Program, our member institutions distribute grants to eligible households and businesses within FEMA-declared disaster areas in our district. Since the creation of the program in November 2013, we have distributed over \$1.6 million in disaster relief grants across Illinois and Wisconsin.

"The Community First Disaster Relief Program does many things," said Zanayed. "For some, it allows safe access to their homes; for others, it funds repairs so their business can fully function. This program allows people and families to take a much-needed step toward financial security in the wake of a disaster."

Charlie Zanayed, *President and CEO, CoVantage Credit Union*

Cultivating Community with Chicago Latinos

We can better serve communities across our district if we deepen our understanding of their cultures, perspectives, and needs. That's why, over three days in November 2019, our Board of Directors and FHLBank Chicago team members explored the Latino experience in Chicago by visiting the Puerto Rican Cultural Center, the National Museum of Puerto Rican Arts and Culture, and the National Museum of Mexican Art. We heard from local policy experts, affordable housing developers, and Latino business leaders. And we walked through some of the neighborhoods that Latino Chicagoans call home.

[View our video](#) to learn more about this event, and about how our community investment programs are helping to preserve affordable housing in one of these areas. The Pilsen neighborhood is home to Casa del Sol, a 54-unit single-room occupancy building recently acquired by The Resurrection Project, a nonprofit dedicated to revitalizing this traditionally immigrant-friendly area. With support from Community Investment Corporation (CIC)—a Chicago-based community development financial institution member of FHLBank Chicago, Community First® Fund partner, and active user of the Community Housing Advance product—and through an awarded competitive AHP grant, The Resurrection Project is ensuring that residents can remain in their homes as Pilsen housing costs rise.



Funding Tomorrow's Local Economies

Access to affordable credit can make all the difference to a small business, and the First Bank of Baldwin sees support for local entrepreneurs as part of its commitment to strengthening the communities it serves in St. Croix County, Wisconsin. Through FHLBank Chicago's Community Small Business Advance, First Bank of Baldwin is able to give its small business customers—such as a local hotel, a grocery store, and a farm—access to the credit they need, at competitive rates.

“Our bank has used the Community Small Business Advance to reach out to area businesses and offer them credit at a reduced market rate,” said Shane Bauer, CEO, First Bank of Baldwin. “This has allowed these businesses to become more established in a challenging environment, to grow with less financial burden, and to become stronger community contributors and partners.”

Shane Bauer, CEO, First Bank of Baldwin

Introduced in July 2018, FHLBank Chicago's Community Small Business Advance allows our members to support their local economies by offering initial 0% financing to small-business customers in income-eligible communities in Illinois and Wisconsin. At year-end 2019, FHLBank Chicago members had \$18 million in community small business advances outstanding.

The Community Small Business Advance is just one of many advance product solutions available to meet our members' funding and liquidity needs, and to help local lenders like First Bank of Baldwin pass along competitive funding advantages to their communities. “FHLBank Chicago has developed and deployed innovative products that enable community banks to be stronger financial partners to meet the credit needs of customers,” Bauer added. “What is most rewarding is the satisfaction of calling a customer to advise them that we can refinance their loan, reduce their current rate, or offer them below-market pricing or extended maturity dates—it is this feeling that underscores the value of community banking.”

Helping Homebuyers Own Their Future

As home prices continue to rise across the U.S., first-time homebuyers face an uphill climb to save for a down payment. The complexities of homeownership can be overwhelming, and many potential homebuyers find themselves not knowing where to turn. That's when organizations like Summit Credit Union—headquartered in Cottage Grove, Wisconsin—step in to help community member's financial dreams become a reality.

“Before, during, and after the home-buying process, we provide guidance, education, and one-on-one coaching to empower our members to own their financial life,” said Don Lickel, Chief Lending Officer, Summit Credit Union. “And what bigger financial dream is there, than purchasing a home?”

Don Lickel, Chief Lending Officer, Summit Credit Union

Through its partnership with FHLBank Chicago, Summit Credit Union offers the DPP and Downpayment Plus Advantage® (DPP Advantage®) Programs to help prospective buyers get into their first home sooner. DPP and DPP Advantage provide FHLBank Chicago members easy-to-access down payment and closing cost assistance to help their income-eligible customers achieve homeownership.

“Our goal is for our homebuyers to become more than just successful homeowners,” said Lickel. “And FHLBank Chicago plays a big part in these homeowners' long-term financial success.” In 2019, Summit Credit Union and FHLBank Chicago provided 34 DPP and 16 DPP Advantage grants to first-time homebuyers.



\$18 million
in community small business
advances outstanding



\$19.5 million
disbursed to 192 members on
behalf of 3,451 homebuyers

[View all financials](#)

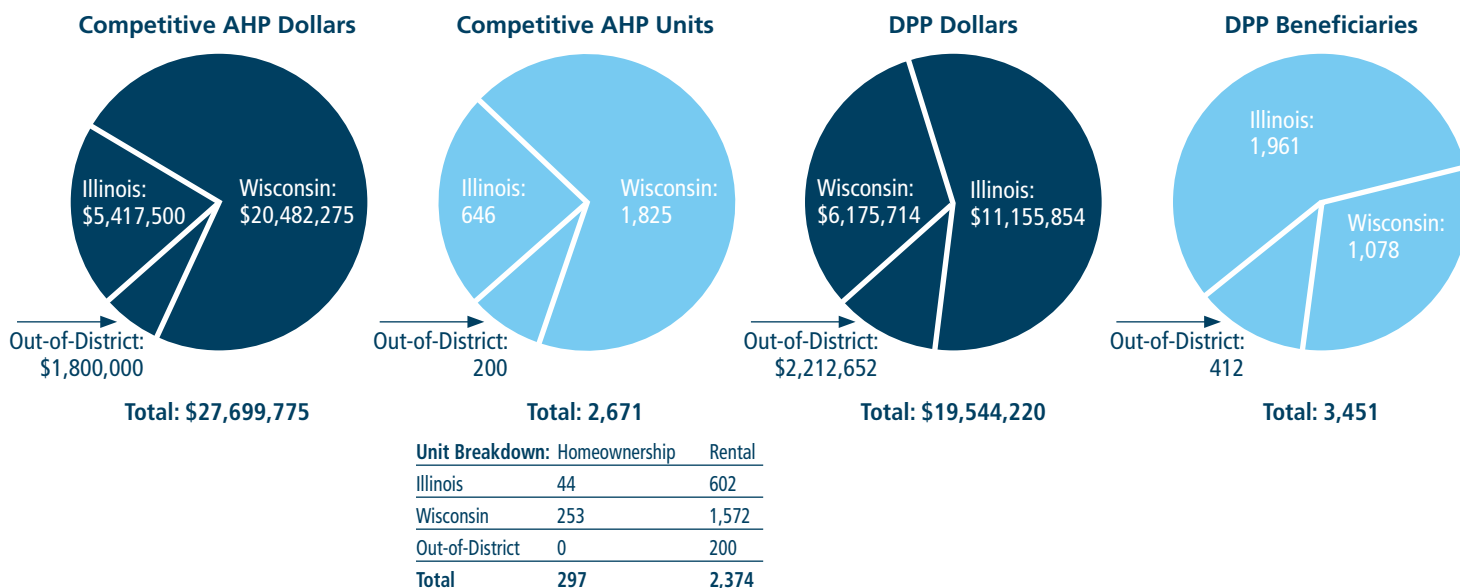
2019 Community Investment Performance Summary

The Federal Home Loan Bank of Chicago (FHLBank Chicago) provides financing and direct funding tools that support the affordable housing and local community lending initiatives of our members. By using our products individually or in combination, FHLBank Chicago members and their community partners can create economically competitive solutions that contribute to the quality of life in the communities they serve.

Programs

| | 2019 Beneficiaries | 2019 Dollars (originated) | Since 1989 Beneficiaries | Cumulative Since 1989 Dollars (\$ millions) (originated) |
|-----------------------------------------------|--------------------|------------------------------|--------------------------|-------------------------------------------------------------------|
| Community Lending | | | | |
| Community Development Advance | 4 (t) | \$105,473,278 | 986 (t) | \$2,707 |
| Community Housing Advance | 4,844 (u) | \$507,336,281 | 132,898 (u) | \$8,968 |
| Community Small Business Advance | 25 (t) | \$13,679,604 | 40 (t) | \$18 |
| Mixed-Use Projects | 0 (t) | — | 42 (t) | \$113 |
| Subtotal Community Lending | | \$626,489,163 | | \$11,806 |
| Grant Programs | | | | |
| Competitive Affordable Housing Program (AHP)* | 2,671 (u) | \$27,699,775 | 84,262 (u) | \$484 |
| Downpayment Plus® (DPP®) Program | 3,377 (u) | \$19,100,264 | 38,577 (u) | \$205 |
| Downpayment Plus Advantage® (DPP Advantage®) | 74 (u) | \$443,956 | 1,357 (u) | \$8 |
| Subtotal Grant Programs | 6,122 (u) | \$47,243,995 | 124,196 (u) | \$697 |
| Total Program Financing | | \$673,733,157 | | \$12,503 |

(t) transactions (u) housing units *Awarded



Voluntary Programs

| | 2019 Beneficiaries | 2019 Dollars (committed) | Since Inception Beneficiaries | Since Inception Dollars (committed) |
|-----------------------------------------|--------------------|-----------------------------|-------------------------------|-------------------------------------|
| Community First® Awards (i) | 4 | \$40,000 | 35 | \$307,500 |
| Community First® Capacity-Building* (i) | 7 | \$258,660 | 20 | \$760,964 |
| Community First® Disaster Relief (i) | 53 | \$265,000 | 327 | \$1,631,167 |
| Community First® Fund (ii) | 0 | \$0 | 8 | \$45,750,000 |

(i) beneficiaries are grants (ii) beneficiaries are partners *Awarded

Community Investment Advisory Council



Jackie L. Newman, Chair

Executive Director
Springfield Housing Authority



David Porterfield, Vice Chair

Director of Real Estate Development
Movin' Out, Inc.



Joaquin J. Altoro

Chief Executive Officer and Executive Director
Wisconsin Housing & Economic Development Authority



Mark Angelini

President
Mercy Housing Lakefront



Deborah E. Bennett

Senior Program Officer
Polk Bros. Foundation



Allison Milld Clements

Executive Director
Illinois Housing Council



Russell D. Kaney

Director, Rural & Native American Initiative
Enterprise Community Partners, Inc.



Irma Yopez Klassen

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Illinois Housing Development Authority



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Executive Director
Housing Action Illinois



Kevin Newell

President and Chief Executive Officer
Royal Capital Group



Mary Patoka

President and Chief Executive Officer
CAP Services



Valerie Johnson Renk

Chief Executive Officer
Habitat for Humanity of Dane County



Katrina Van Valkenburgh

Managing Director
Corporation for Supportive Housing

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Federal Home Loan Bank of Chicago