



FHLBank
Chicago

2024 Impact Report

INVESTING IN OPPORTUNITIES

Table of Contents

1	Letter from our CEO	3
2	2024 Impact at a Glance	4
3	About FHLBank Chicago	5
4	Providing Liquidity and Reliable Funding	7
5	Investing in Communities	13
6	Cultivating a High-Performing and Engaged Workforce	23
7	Strong Risk Management and Governance	29

Published June 17, 2025. Unless otherwise indicated, the data and activities presented in this report are as of, or for, the year ending December 31, 2024.



Letter from our CEO

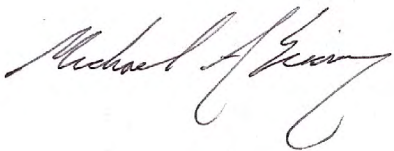
In a year where interest rates remained elevated and the state of the economy was top of mind, FHLBank Chicago remained constant in its unwavering support for our financial institution members, their customers, and communities. Throughout the year, and as always, we made sure our members had the necessary financial support to navigate any situation. That is central to our purpose—to be a stabilizing force through both turbulence and routine, constancy and change.

We are in a strong position to address housing affordability and supply across our district. FHLBank Chicago has been closely collaborating with the Federal Housing Finance Agency (FHFA), Congress, our Board, members, and key stakeholders to set ourselves on a solid trajectory for the future. While planning for the future, we continued actively serving homebuyers, renters, housing developers, and small businesses across Illinois and Wisconsin in partnership with our members.

There are many achievements to celebrate in 2024, including welcoming 8 new members to FHLBank Chicago and 33 financial institution participants to our national Mortgage Partnership Finance® (MPF®) Program. We supported the creation or preservation of over 7,800 jobs and over 7,300 housing units by funding \$1.9 billion in discounted Community Advances. We also launched the Community Impact Advance Pilot Program to provide up to \$50 million in interest rate subsidies to support our members’ efforts in increasing housing supply and development activity and job creation. Through this program, we funded over \$550 million in discounted advances for our members.

Additionally, we awarded or disbursed \$107 million in community investment grants, aiding affordable housing for more than 1,300 individuals or families and providing downpayment assistance to over 4,400 homebuyers. These grants also helped over 520 small businesses to invest and grow.

We reached new heights in supporting our members and the communities they serve in 2024. This report demonstrates that dedication through every form of support. As we reflect on our achievements, we also look forward to unlocking even more opportunities to invest in housing and community development for years to come.



Michael A. Ericson
President and
Chief Executive Officer

Mission, Vision and Values

Our Mission

To partner with our members in Illinois and Wisconsin to provide them competitively priced funding, a reasonable return on their investment in the Bank, and support for their community investment activities.

Our Vision

As a reliable source of liquidity and funding, we strengthen our district’s members and empower them to enhance access to quality, affordable housing. We impact every community. Our goal is to ensure everyone has access to quality, affordable housing within the next decade.

Our Values



Bold



Connected



Committed



Trusted

2024 Impact at a Glance

CORE PRODUCTS

\$55.8B

in advances outstanding

\$12.9B

in letters of credit commitments outstanding



SUPPORTING OUR HOUSING MISSION



MORTGAGE LOANS OUTSTANDING

\$20.2B

for FHLBank Chicago

\$72.2B

nationwide



MEMBERSHIP

645

member institutions



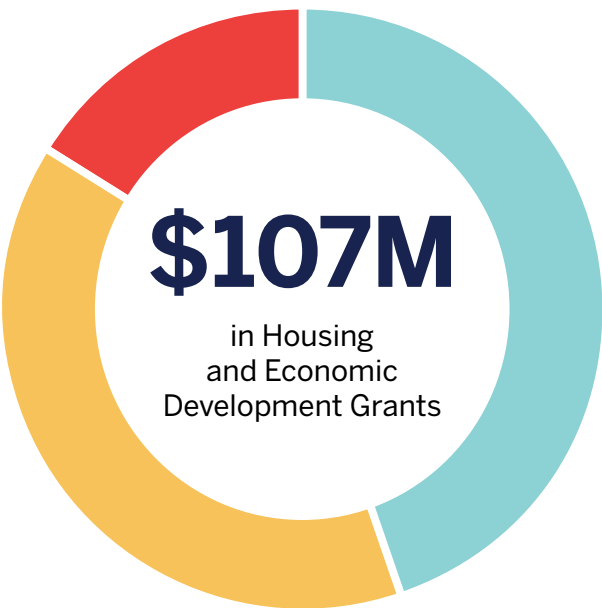
8

new members welcomed

92%

utilized our products and programs

INVESTING IN COMMUNITIES



- \$48M** | **Affordable Housing Program (AHP) General Fund**
Assisted over **1,300** households with their housing needs
- \$42M** | **Downpayment Plus® Programs (DPP®)**
Provided over **4,400** homebuyers with downpayment assistance
- \$17M** | **Community First® Grant Programs**
Accelerated **520+** small businesses
Funded **14** organizations, supporting **60+** fellowships or internships for developers
Supported **29** housing counseling agencies with expanded resources

\$1.9B

funded in discounted community lending through our **Community Advances Program** to support housing for more than **7,300** households and more than **7,800** jobs

\$550M+

funded through our **Community Impact Advance Pilot Program** to support housing and economic development

- **71 members supported**
- **\$40M subsidy provided**

EMPOWERING OUR PEOPLE

10,700+

hours dedicated to volunteering by employees

96%

employees completed training to enhance our risk culture



About FHLBank Chicago

FHLBank Chicago and Membership

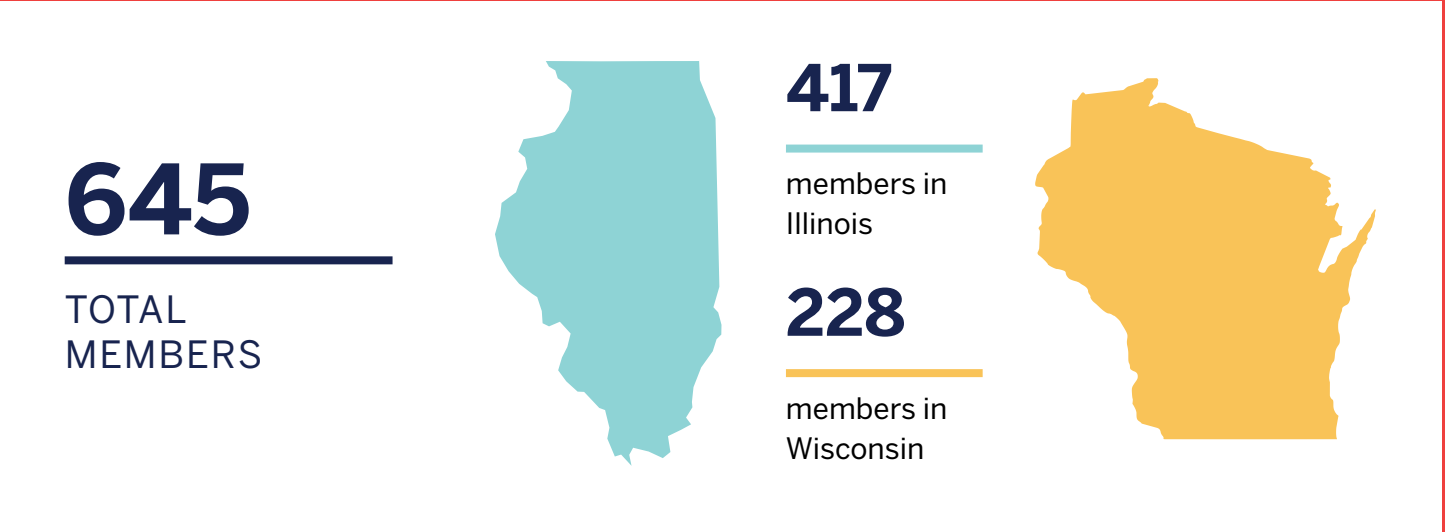
FHLBank Chicago is a government-sponsored enterprise and one of 11 Federal Home Loan Banks (FHLBanks) that, along with the Office of Finance, comprise the Federal Home Loan Bank System. FHLBanks were established in 1932, and today provide reliable, short-term liquidity and long-term funding to support housing finance and community investment to nearly 6,500 financial institutions across the United States. Each FHLBank operates as an independent private entity with its own management, employees and Board of Directors. FHLBanks are supervised and regulated by the Federal Housing Finance Agency (FHFA), an independent federal agency in the executive branch of the U.S. government.

Our members are located in Illinois and Wisconsin

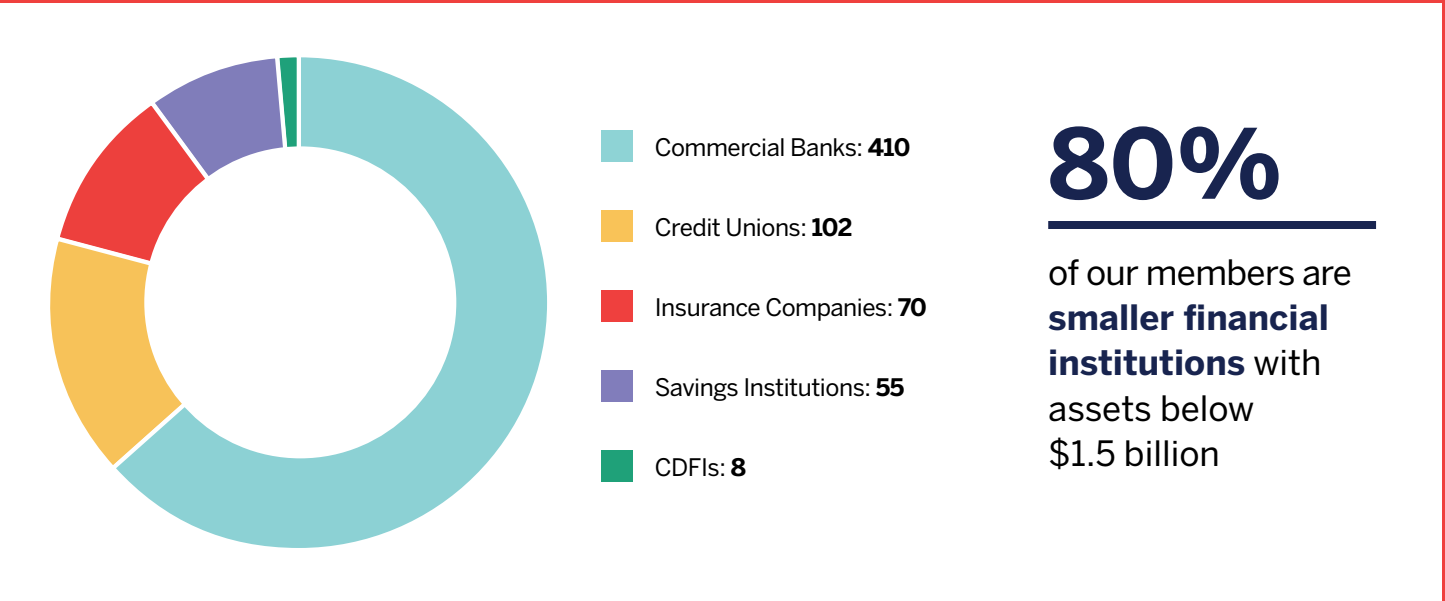
Each FHLBank is a privately capitalized, member-owned cooperative with members from a congressionally defined geographic district. Our district consists of the states of Illinois and Wisconsin, and our membership is comprised of commercial banks, credit unions, insurance companies, savings institutions and community development financial institutions (CDFIs).

We do business with our members by providing liquidity and funding in the form of advances (secured loans) and letters of credit, and through member participation in our Mortgage Partnership Finance (MPF) Program. We also operate our MPF Program in support of other FHLBank members across the country. Delivering on our liquidity mission drives our ability to invest in our members’ communities by providing grants, discounted advances and other products and programs that support affordable housing and community development.

Membership by State



Membership by Type



We are a private, self-capitalizing cooperative

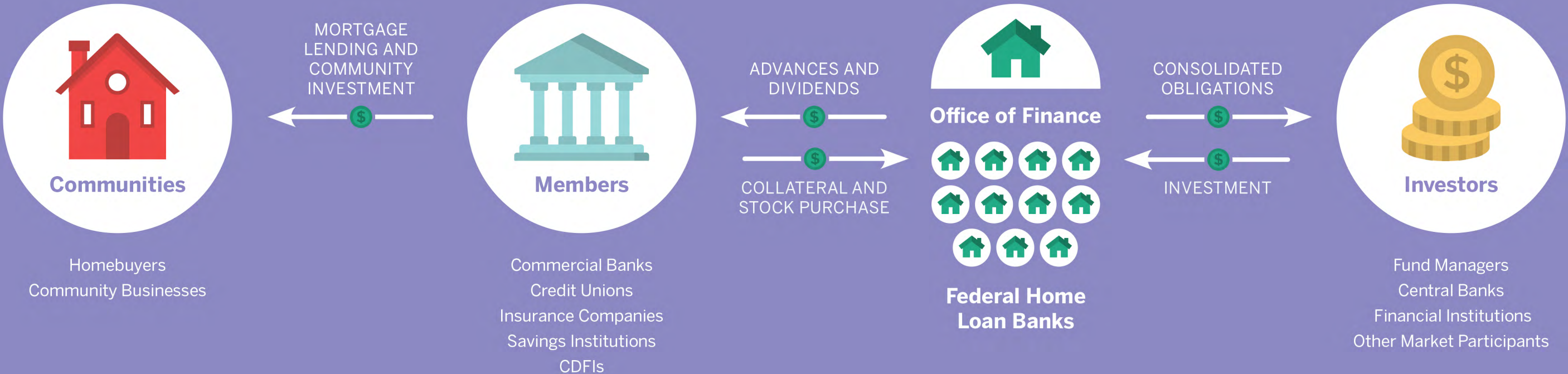
All FHLBank Chicago members are required to purchase our membership stock as a condition of membership and purchase our activity stock in proportion to any advances or letters of credit issued, as well as MPF Program loans sold to us for our balance sheet.

Our primary source of funds for our activities—including member lending, our MPF Program and other balance sheet needs—comes through the sale of FHLBank bonds and discount notes. Collectively known as consolidated obligations, these debt instruments are sold in the capital

markets through the Office of Finance, which acts as the FHLBank System’s fiscal agent. Our self-capitalizing cooperative structure has joint and several liability for consolidated obligations across the FHLBank System. The FHLBank business structure has historically helped us generate positive financial returns to support our affordable housing and community investment programs. FHLBank consolidated obligations are backed only by the financial resources of the FHLBanks, individually and collectively, and are not guaranteed by the U.S. government.

The funds we raise through the sale of our highly rated FHLBank consolidated obligations typically carry a lower interest rate than FHLBank members could obtain on their own through other wholesale funding channels. As a cooperative, we pass on the benefit of these lower market rates to our members, enabling our members to provide more loans at a lower cost to homebuyers and businesses in their communities.

FHLBank Business Structure



Providing Liquidity and Reliable Funding

Creating opportunity and confidence for lenders across all cycles

FHLBank Chicago provides our members with the funding they seek to help build businesses, generate jobs, help people acquire homes, and enhance their viability and stability as engines of community advancement. Our financial products help our members manage their balance sheets, support housing and community development, and make borrowing easier and more affordable.

For us, member relationships are much more than financial transactions—we are committed to our members' success. We help our members leverage our liquidity for the benefit of their communities through an array of member engagement activities, such as conferences, webinars, and training and educational opportunities. For example, in 2024 we hosted mortgage roundtable events for our members featuring our own experts and external economists. These sessions provide helpful information to our members on trends and strategies that address mortgage lending and housing needs in their communities. Serving as a trusted advisor, we also provide funding solutions, modeling and other analytical tools to assist our members with their asset-liability management needs.

Our employees also offer their time and expertise speaking at trade association and other third-party events on topics including macro-economics, affordable housing, community development, mortgage finance, risk management strategies, operational excellence, employee engagement, and mentorship.



Karen Liu-Yates, Senior Community Investment Programs Specialist, and Jen Schaefer, Community Investment Policy and Programs Analyst, represent FHLBank Chicago at the 2024 Illinois Affordable Housing Forum, hosted by Illinois Housing Council. The Forum provides an opportunity for hundreds of industry leaders from across Illinois to build relationships, share ideas and discuss best practices.

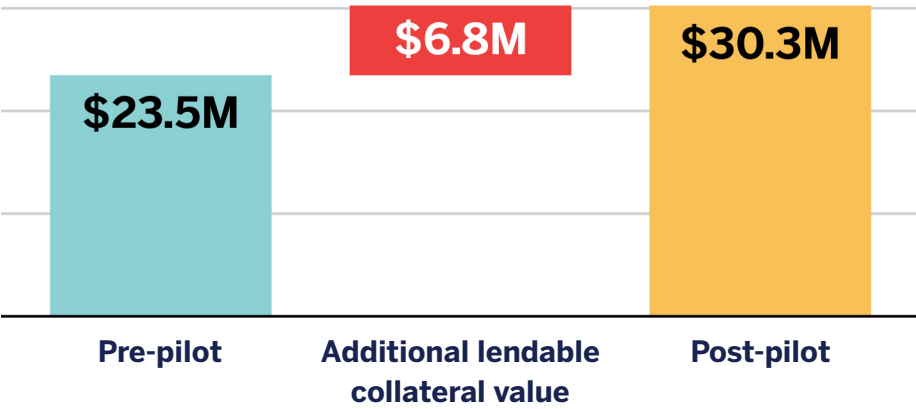
Collateral

Member access to liquidity is secured by collateral, typically in the form of residential mortgage loans, government securities including U.S government and agency-backed securities, commercial real estate, and Community Financial Institution (CFI) collateral including small business or community development loans. In 2024, we announced two collateral initiatives to support homeownership:

Low-Income Housing Tax Credit Collateral Pilot Program

We launched the Low-Income Housing Tax Credit (LIHTC) Collateral Pilot Program, providing our members with increased lendable value on qualifying LIHTC multi-family housing project loans. The program lowers the haircut on eligible LIHTC loans. The three-year program is expected to finance primarily smaller LIHTC loans (less than \$2 million) that may be difficult or expensive to syndicate.

INCREASED COLLATERAL VALUE OF LIHTC LOANS



VantageScore® Partnership

We partnered with VantageScore to allow our member financial institutions to pledge mortgage collateral using VantageScore credit scores as an alternative to the classic FICO credit score model. This innovative approach considers rental payments and other consumer credit data not included in traditional models, helping bridge the homeownership gap for creditworthy homebuyers who may have been left out of conventional credit models. VantageScore estimates that using their credit model will result in approximately 2.4 million more consumers in Illinois and Wisconsin having access to a credit score that may aid them in obtaining a mortgage.



The Garden Homes Neighborhood Initiative in Milwaukee was awarded a \$360,000 AHP grant in 2020, sponsored and partially funded by our member IFF, for the acquisition, rehabilitation, and new construction of 24 units of rental housing. In 2024, IFF pledged their loan from the nonprofit developer, 30th Street Industrial Corridor, through our LIHTC Collateral Pilot Program, increasing their borrowing capacity with us. *Photo credit: Pat A. Robinson*

Providing Liquidity and Reliable Funding

Advances

The primary way we provide funding to our members is through secured loans, known as advances. Our members use advances, such as fixed-rate or variable-rate advances and other specialty advance products, to support their funding needs while optimizing liquidity to fund lending in their communities. **At year-end, our advances outstanding were \$55.8 billion, and 85% of our members used our advance products during the year.**

Letters of Credit

Our letters of credit enable members to leverage our excellent credit rating at a competitive price to support liquidity, asset-liability management, and to facilitate residential housing finance and community lending activities. Letters of credit are issued to guarantee payment or performance on behalf of our members to third parties. They are most commonly used as an attractive alternative to pledging securities for public unit deposits, providing state and local governments with peace of mind that their deposits are protected in excess of the maximum FDIC-insured amount. **At year-end, our letters of credit commitments were \$12.9 billion, and 33% of our members used letters of credit during the year.**



Rep. Sean Casten (IL-06) joins FHLBank Chicago, IFF, and community leaders at a 2024 housing roundtable at Union Avenue Apartments in Orland Park, Ill.

The Importance of Understanding Community Needs

FHLBank Chicago supports IFF, a member since 2011, in a myriad of ways to drive its affordable housing mission. In 2024, IFF received a discounted and unsecured \$4 million Community First Fund (CFF) loan, in addition to the \$10 million previously funded through CFF, expanding its predevelopment and construction lending. IFF was also one of the members consulted to develop our Low-Income Housing Tax Credit (LIHTC) Collateral Pilot Program, expanding borrowing capacity for LIHTC collateral across FHLBank Chicago's membership. IFF also used our Performance Guarantee Letter of Credit to secure a project with Park Forest, Ill. to fund underground sewer improvements associated with a new affordable housing development. They also sponsored four Affordable Housing Program (AHP) projects in 2024, amounting to more than \$5 million in grants for new and rehabilitated low-income housing.

While these examples demonstrate the important role of liquidity and funding access in affordable housing and community development, we also recognize the value of convening our members and thought leaders to align on policy enhancements. In August 2024, we hosted Rep. Sean Casten (IL-06), IFF, and community leaders at a roundtable discussion focused on housing solutions. The group met at the Union Avenue Apartments in Orland Park, Ill., which received a \$192,180 AHP grant through IFF in 2021, and now provides 16 permanent apartments to people with developmental disabilities. “This event demonstrated how FHLBank Chicago, its members and partners, and policy makers are working together to address housing needs,” said Joe Neri, IFF CEO. “Understanding community needs and sharing lessons learned is crucial to ensure our partnerships complement one another and effectively strengthen communities.”



FHLBank Chicago administers the MPF Program for six participating FHLBanks—Boston, Chicago, Dallas, Des Moines, Pittsburgh and Topeka. Through this mortgage purchasing program, we provide access to the secondary mortgage market for our members, as well as FHLBank members across the United States that are approved participating financial institutions.

FHLBank Chicago created the MPF Program in 1997 to provide community lenders with a competitive secondary mortgage market investor to sell their fixed-rate residential mortgage loans. Negative pricing adjustments and guarantee fees, along with minimum loan volume requirements, can be roadblocks for smaller institutions to access the secondary mortgage market. The MPF Program is unique in that it incentivizes sustainable homeownership by paying members to share in the risk of default while relieving them of the interest rate risk on those loans. Members can continue to service the loans sold and preserve their customer relationships.

MPF Program Impact on Housing Finance

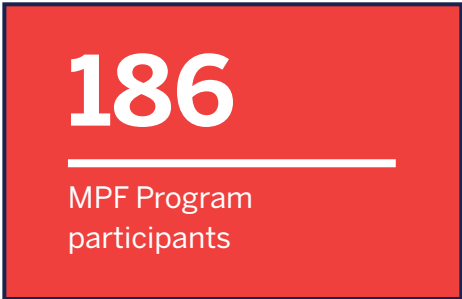
FHLBANK CHICAGO



NATIONWIDE



FHLBANK CHICAGO

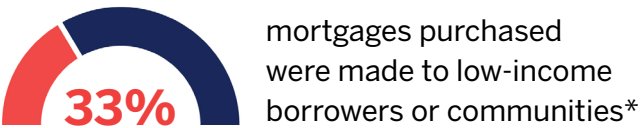


NATIONWIDE



FHLBANK CHICAGO

13,000+ loans purchased totaling \$3.4B

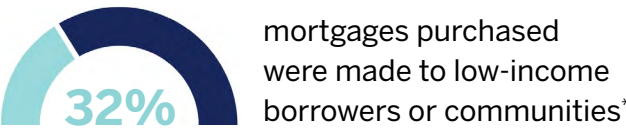


**Mortgages purchased for investment or securitized through our MPF products*



NATIONWIDE

37,000+ loans purchased totaling \$11B



76%

small community lenders with assets < \$1.5B

\$1.1B

credit enhancement income paid to over 1,500 members to date

MPF UNIVERSITY

Complimentary courses available through the Mortgage Bankers Association certifications

- Certified Residential Underwriter
- Residential Certified Mortgage Servicer
- Certified Mortgage Compliance Professional
- Residential Loan Processor (new in 2024)



Expanding Reach Through the MPF Program

We consistently look for ways to improve our MPF Program to better serve our members and their communities. This includes exploring how we can meet an array of unique needs across the nation and finding ways to make housing more affordable.

New MPF Traditional Conventional Housing Impact Pricing

For members, balancing the mission to serve more borrowers while navigating pricing constraints can feel like a difficult task. We launched new MPF Traditional Conventional Housing Impact Pricing to empower members in reaching more borrowers with effective, affordable mortgage options. This enhanced pricing applies to 30-year fixed conforming/conventional loans for low- and very low-income borrowers at or below 80% of the Area Median Income (AMI). By improving loan affordability, we aim to reach more borrowers in our communities, helping them achieve sustainable homeownership.

Empowering Affordable Homeownership and Community Growth

Nicolet National Bank has grown from a local Green Bay startup to one of Wisconsin's top banks with \$8.6 billion in assets. Key to this growth has been its longstanding partnership with FHLBank Chicago. For over a decade, Nicolet has leveraged FHLBank Chicago's MPF and community investment programs, providing customers with affordable paths to homeownership even in a challenging housing market.

With the MPF Traditional product, Nicolet can offer competitive rates without loan-level price adjustments, making loans more affordable for creditworthy borrowers. Nicolet has also taken advantage of FHLBank Chicago's new MPF Traditional Conventional Housing Impact Pricing to make loan terms that are more within reach for low- and very low-income households. Additionally, since 2013, Nicolet has provided more than \$4 million in forgivable grants for down payments and closing costs to income-eligible borrowers through our Downpayment Plus Programs.

"Our partnership with FHLBank Chicago has been instrumental in helping us expand access to affordable housing," said Tim Schinkten, AVP, Loan Servicing Manager at Nicolet National Bank. "From innovative mortgage solutions to impactful community investment programs, our engaged membership enables us to make a meaningful difference for our customers and communities across Wisconsin."



Tim Schinkten
AVP, Loan Servicing Manager,
Nicolet National Bank



Providing Liquidity and Reliable Funding

Partnership with the U.S. Small Business Administration

Not having access to capital increases the cost of doing business for small businesses and startups. For the past 20 years, FHLBank Chicago has served as a partner to the U.S. Small Business Administration (SBA) to provide access to capital to privately-owned small business lenders and investors to stimulate and supplement the flow of private equity capital and long-term debt financing that small businesses need to operate, expand and modernize their businesses. The on-demand financing we provide through our participation in SBA programs supports SBA-approved Small Business Investment Companies in offering loans with lower interest rates and longer repayment dates, enabling increased private investment in U.S. small businesses and startups.

How the SBA and FHLBank Chicago help small businesses get loans

The SBA partners with FHLBank Chicago and SBA-licensed Small Business Investment Companies to provide funding to small businesses nationwide. Funding provided by FHLBank Chicago is guaranteed by the SBA.

\$3B

in funding to support over 1,000 loans to small business investors through the SBA's standard debenture program

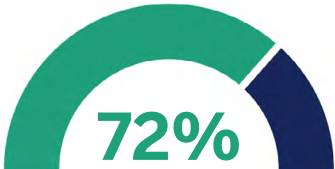


Investment Portfolio Supporting Affordable Housing

FHLBanks maintain long-term investment portfolios to enhance interest income, cover operating expenses and bolster capacity to meet affordable housing commitments.

\$1.8B

Fannie Mae Delegated Underwriting & Servicing (DUS) investment portfolio purchases



9,000* out of 13,000* rental units housed low- and moderate-income residents

*Data provided by Fannie Mae DUS Disclose® with low- and moderate-income defined as below 80% of the area median income

Supporting State Housing Finance Agencies

We provide funding assurance for housing mission work to two of our housing associates through standby bond purchase agreements.

\$520M+

available in liquidity to the Illinois Housing Development Authority (IDHA) and Wisconsin Housing and Economic Development Authority (WHEDA)

Investing in Communities

Championing access to affordable housing and economic development is at the core of FHLBank Chicago’s housing leadership strategy. We do this in three primary ways:

- Amplifying our members’ community investment activities with innovative products and programs that address unmet community needs and deliver impact throughout the district
- Building community throughout the district by facilitating economic opportunities for residents and communities
- Providing thought leadership, knowledge resources, and opportunities for collaboration between industry partners and members to promote innovation and problem-solving to meet housing and economic development needs

In partnership with our members, FHLBank Chicago offers a variety of dedicated products and mission-oriented initiatives to expand access to quality affordable housing and economic opportunities for low- and moderate-income households throughout Illinois and Wisconsin. These initiatives target the following community investment objectives:

- Expand the supply of affordable housing in the district
- Improve housing affordability and homeownership sustainability
- Expand access to capital for housing and economic development
- Catalyze economic opportunities for residents and communities
- Build community capacity for affordable housing and economic development

In pursuing these objectives, FHLBank Chicago responds to critical housing and community development needs, facilitates impactful opportunities for our members to address those needs, champions innovation, and delivers on our commitment to housing leadership.

Each year, FHLBank Chicago conducts a needs assessment to gather information on affordable housing and community lending needs throughout the district. Informed by quantitative market analysis and qualitative research, the annual needs assessment identifies gaps in the market and opportunities for program enhancements and new initiatives.

We also work with our Community Investment Advisory Council (CIAC), which consists of industry leaders from community and nonprofit organizations actively involved in providing or promoting affordable housing and/or community development in Illinois or Wisconsin. The CIAC meets quarterly with representatives from FHLBank Chicago’s Board of Directors to share insights on community needs and inform our community investment strategy. [View the 2024 FHLBank Chicago CIAC Annual Report.](#)

Each year, we publish information on community needs and market dynamics in our Targeted Community Lending Plan (TCLP), which informs our community investment programming for the following year.



Our 2024 analysis highlighted critical needs, such as:

Affordable Housing Needs	
<ul style="list-style-type: none">• Housing supply, both single-family and multifamily, with a focus on production of new units and reinvestment in aging housing stock• Homeownership affordability and sustainability	<ul style="list-style-type: none">• Rental housing affordability• Housing for populations with heightened need, including individuals experiencing homelessness• Housing for large households
Economic Development and Community Lending Needs	
<ul style="list-style-type: none">• Support for community-based financial institutions and counseling organizations• Support for capacity-building in community development	<ul style="list-style-type: none">• Support for small businesses• Support for targeted, place-based development strategies

Affordable Housing Program Grants

FHLBank Chicago plays a significant role in supporting affordable housing in Illinois and Wisconsin through our Affordable Housing Program (AHP), which includes our competitive AHP General Fund awards and down payment assistance through our Downpayment Plus (DPP) Programs.

Affordable Housing Program General Fund

Through this program, FHLBank Chicago supports the acquisition, new construction and/or rehabilitation of rental or owner-occupied housing for low- and moderate-income households. Our members partner with for-profit and nonprofit developers, community organizations, units of government, public housing authorities and tribal governments to apply for our annual grant program.

IN 2024

\$48M

awarded in partnership with **24 members** to help finance **35 housing projects** supporting more than **1,300 individuals and families** with their housing needs

SINCE 1989

\$550M+

allocated to assist more than **83,000 households**



Downpayment Plus Programs

Downpayment Plus and Downpayment Plus Advantage® provide our members with easy-to-access downpayment and closing cost assistance for low- and moderate-income homebuyers, reducing hurdles to homeownership and providing opportunities to build home equity. Our members provide first mortgage financing to access DPP grants. Nonprofits that provide mortgage financing for homebuyers, such as Habitat for Humanity and Neighborhood Housing Services, partner with an FHLBank Chicago member to access DPP Advantage funds. Our DPP programs require participation in homeownership education and counseling, supporting sustainable homeownership.

IN 2024

\$42M

disbursed to over **4,400** homebuyers in partnership with **223** members

SINCE 1994

\$300M+

allocated to provide down payment assistance to more than **47,000** homebuyers



Celebrating Recently Completed AHP General Fund Projects from Across the District



Sanctuary Place | Chicago

Through \$750,000 in Affordable Housing Program funding, FHLBank Chicago helped revitalize 69 rental units at Sanctuary Place, creating safer, more welcoming housing for individuals who have experienced homelessness in Chicago. The project was led by Interfaith Housing Development Corporation in collaboration with FHLBank Chicago member, Chicago Community Loan Fund.



Greenhaven Apartments and Townhomes | Palatine, Ill.

FHLBank Chicago provided \$870,000 in Affordable Housing Program funding to help bring 58 new rental homes to downtown Palatine. Developed by Lutheran Social Services of Wisconsin and Upper Michigan Inc. in partnership with FHLBank Chicago member, BMO Bank, Greenhaven Apartments and Townhomes offer affordable housing options for families living and working in Palatine.



Red Willow Flats | Oneida, Wis.

Red Willow Flats Brings Housing and Possibility to the Oneida Nation

In 2024, the Oneida Nation celebrated the completion of Red Willow Flats, a 35-unit development of housing on tribal trust land in Oneida, Wis. The development provides a mix of affordable and market-rate units for families and individuals, including veterans, requiring supportive services. The market-rate units were intentionally developed to serve essential workers, such as medical personnel and law enforcement, who provide vital services to the reservation community.

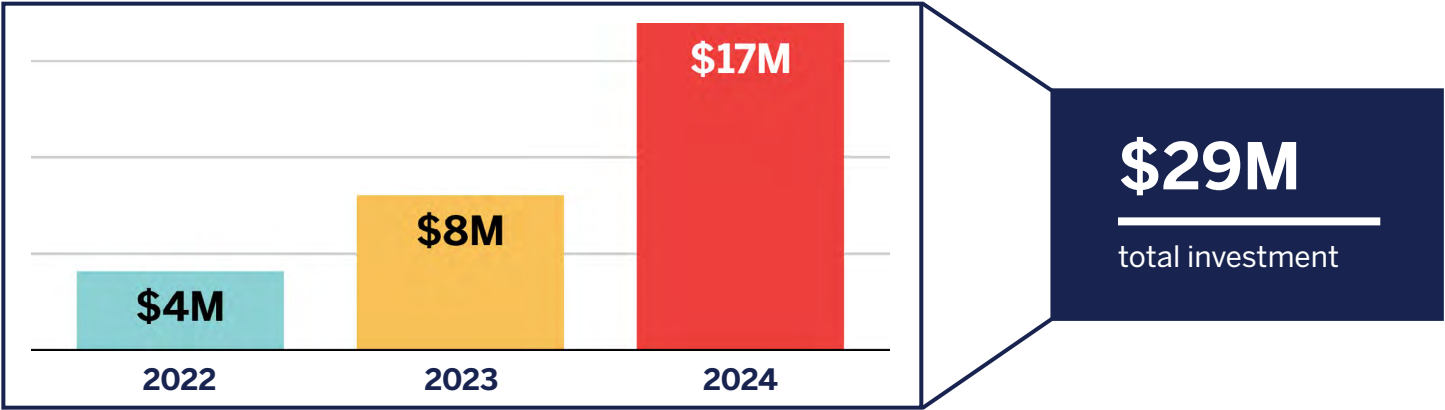
The 1822 Land & Development Company of Oneida, LLC (1822) developed the project with support from FHLBank Chicago member Bay Bank in the form of a \$700,000 AHP General Fund grant. Pete King, General Manager of 1822 and President and CEO of King Solutions LLC, previously received a grant through the Community First Developer Program to support capacity-building and career development. King, a Native American developer with roots in the

Oneida Nation, led the development of Red Willow Flats since its start. “This development reflects our heritage and prioritizes the wellbeing of our people,” King shared. “It was made possible through partnerships that value the importance of addressing housing challenges in tribal communities. FHLBank Chicago has been instrumental in helping us realize this dream.”

The successful completion of Red Willow Flats and the continued growth of 1822 demonstrate the impact FHLBank Chicago has on housing development and supply in partnership with members and community partners. Jeff Bowman, CEO of Bay Bank, emphasized the shared mission behind the project. “At Bay Bank, supporting the Oneida Nation has always been our priority. Working with Pete and FHLBank Chicago to bring Red Willow Flats to life is a testament to what we can accomplish when the needs of the community and innovative solutions align.”

Community First Grant Programs

In addition to our support for the Affordable Housing Program, we allocate resources to support a variety of “Community First” programs to address unique needs in our district identified in our Targeted Community Lending Plan. In 2022, we created and committed to three new Community First grant programs for three years (2022-2024) to provide a broader and more integrated approach to housing and community development. During this time, we engaged members and community partners to enhance programs each year, evaluate outcomes, and help us make informed decisions for future product and program offerings.



SPOTLIGHT ON 2024 IMPACT

520+

small businesses received grants of up to **\$30,000** to support their growth and local economic development

60+

fellowships and internships supported to expand the pipeline of experienced affordable housing developers across **14 organizations**

24,000+*

households supported with homeownership education through **29 housing counseling agencies** across our district
Nearly 2,000* served in supporting their ability to purchase a home

*Data provided by IHDA and WHEDA from U.S. Department of Housing and Urban Development’s (HUD) Housing Counseling System



The Witte family celebrates their \$15,000 Community First Accelerate Grant, awarded through FHLBank Chicago member Glacier Hills Credit Union.

Family-Owned Farm Invests in Giving Back to Their Community

Witte’s Vegetable Market, a family-owned produce farm in West Bend, Wis., has been a cornerstone of the community since 1992. David and Mary Jo Witte co-own the business with their children, Gus and Tiffany, and have a longstanding commitment to providing fresh, locally grown fruits and vegetables. The family also prioritizes hiring local youth to help with the harvest and sales at their farmstand and local farmers’ market.

With the help of long-time partner Glacier Hills Credit Union, Witte’s Vegetable Market achieved a significant milestone in 2024 by securing a \$15,000 Community First Accelerate Grant for Small Business from FHLBank Chicago. This grant will enable the Wittes to purchase a much-needed self-propelled picking machine for strawberries, cucumbers, and asparagus, which

will replace decades-old equipment. The new machine will make the harvesting process more efficient and less physically demanding for their employees.

“This grant means we can invest in tools that make our farm more efficient. It’s not just about growing produce—it’s about supporting our local workforce and ensuring our community has access to fresh, healthy food for years to come,” said Gus Witte, co-owner of Witte’s Vegetable Market.

The Wittes’ dedication to their farm and community is evident in every aspect of their business, and this additional support will help them maintain their high produce standards for their local community.

Cultivating Emerging Housing Leaders

Illinois Housing Council (IHC), a nonprofit housing membership association, convenes housing industry leaders, policymakers, and developers to expand affordable housing opportunities throughout Illinois. Through their work, IHC recognized the importance of cultivating emerging talent in the industry and set out to expand awareness and opportunities for college students and young professionals. To that end, IHC launched the Emerging Leaders Internship (ELI) Program in 2023— a 10-week paid internship that provides educational programming and hands-on experience with IHC’s member developers. The program was initially funded by FHLBank Chicago’s Community First Developer Program, in collaboration with BMO Bank, and again in 2024 with an additional \$250,000 to further the program’s growth.

“Leadership in affordable housing thrives on fresh perspectives and bold ideas. Through the ELI Program, we’re fostering the next generation of leaders ready to create lasting, meaningful change for communities across Illinois,” said Allison Clements, Executive Director of the IHC and member of FHLBank Chicago’s Community Investment Advisory Council.

To date, the program has placed 28 interns with 19 development firms and housing authorities. Four program alumni subsequently secured full-time positions, demonstrating the program’s long-lasting impact. Thanks to the Developer Program, IHC continues to raise the bar for talent development in Illinois’ affordable housing industry.



IHC receives a \$250,000 Community First Developer Program award to expand the ELI Program, in partnership with BMO Bank and FHLBank Chicago.



The Anderers receive the keys to their new home.

The Community First Housing Counseling Resource Program is administered via two FHLBank Chicago housing associates—the Illinois Housing Development Authority (IHDA) and the Wisconsin Housing and Economic Development Authority (WHEDA).

Building Dreams of Lifelong Homeownership

Molly and Joseph Anderer dreamed of owning a home to provide stability and accessibility for their family of five. Living on a single income and caring for a child with disabilities, the Anderers sought support from local housing counseling agency La Casa de Esperanza, a beneficiary of FHLBank Chicago’s Community First Housing Counseling Resource Program. The Anderers were already working with Habitat for Humanity of Waukesha and Jefferson Counties, who referred them to La Casa de Esperanza for homebuyer education classes and personalized counseling.

“The support we received from La Casa de Esperanza made what once felt impossible a reality,” said Molly Anderer. “Our new home is more than just a place to live—it’s a foundation for our children to grow and a space tailored to meet the unique needs of our family.”

La Casa de Esperanza’s partnership with FHLBank Chicago member Tri City National

Bank also enabled the Anderers to access FHLBank Chicago’s Downpayment Plus program, which provided \$10,000 toward their downpayment and closing costs.

“Tri City National Bank was instrumental in helping the Anderers access the financial boost they needed from FHLBank Chicago to achieve homeownership,” said Crystal Monsivais, HUD Certified Housing Counselor at La Casa de Esperanza.

In October 2024, after months of preparation and construction, Molly and Joseph proudly closed on a home tailored to their family’s needs. Newly equipped with knowledge and resources, they are on the path to sustainable homeownership—demonstrating the transformative impact of housing counseling and down payment assistance.

Housing and Community Development Subsidized Lending Products

FHLBank Chicago helps our members support affordable housing and economic development needs in their communities via below-market rate advances that facilitate community lending. Collectively, these products provide members with the liquidity to address lending needs in their communities.

Community Advances Program

We offer three products to support our members' community lending initiatives:

- **Community Development Advances:** Promoting economic development through small business, agricultural, commercial and infrastructure lending.
- **Community Housing Advances:** Supporting purchase, construction and rehabilitation of affordable housing.
- **Community Small Business Advances:** Bolstering small business lending in low- and moderate-income areas, contributing to the local economy and community revitalization efforts.

\$1.9B

funded to support housing for more than **7,300 households** and more than **7,800 jobs**



With support from FHLBank Chicago member First Community Bank of Hillsboro, Griffith Trucking secured a loan backed by the Community Small Business Advance to grow their fleet and keep their business moving forward.

Local Bank Extends Liquidity Directly into Community

First Community Bank of Hillsboro is well-versed in the unique needs of its primarily rural community in Illinois. And as one of the top users of FHLBank Chicago's Community Small Business Advance, they have been able to expand their lending territory, both geographically and to a wider variety of clients.

Nick Kuhns, Vice President and Chief Credit Officer at First Community Bank of Hillsboro, has leveraged their partnership with FHLBank Chicago to intentionally extend support to the small businesses that shape the community. For about three years, Kuhns worked closely with local business owners Nick and Michelle Seabaugh of Griffith Trucking to fund a loan that helped them take over the family business from Michelle's uncle and keep the small, family-run business intact.

A portion of Griffith Trucking's business is transporting military service people who are

reassigned, helping them pack up and move across the country to their next base. Nick Seabaugh handles the bookings and even gets behind the wheel from time to time. The additional funding from the Community Small Business Advance also allowed for much-needed updates to the vehicle fleet.

Between tight balance sheets and interest rates hovering around 7%, the loan would not have been possible for either Griffith Trucking or First Community Bank of Hillsboro without FHLBank Chicago's Community Small Business Advance. "This opportunity came at the ideal time, when all banks were struggling with liquidity. After the pandemic, as the economy started to slow down, a lot of deposits left our community banks," explained Kuhns. "The Community Small Business Advance gave us the liquidity we needed to help our customers grow—it was a true win-win."

Community Impact Advance Pilot Program

In 2024, we introduced the Community Impact Advance Pilot Program to provide \$50 million in interest rate subsidies to support our members’ affordable housing, economic development, and community partnership lending and investment. The program was designed in response to members’ needs and challenges, particularly the critical issue of elevated interest rates, which have made accessing capital more difficult. By offering up to a two percent reduction in interest rates on advances, the program helps lessen these hurdles, thus increasing the funding members can provide their communities. Ultimately, the program aims to support the purchase, rehabilitation, and construction of housing units; creation of jobs; economic development projects; and community partnerships.



Zarifa Reynolds, President and CEO of Royal Neighbors of America, and her family participate in packing healthy food baskets for families in need in their community.

Mission-Driven Organizations Partner to Address Housing Needs

Since its inception over a century ago, Royal Neighbors of America has been a catalyst for positive impact in communities across the country. Driven by their mission to uplift communities, the organization sought out ways to alleviate its customers’ struggles with housing costs, inflation and economic uncertainty.

“When we learned about the Community Impact Advance, we immediately recognized an opportunity to address one of the most pressing issues our communities face today—housing stability,” said Evan Johnson, Senior Portfolio Manager, Real Estate at Royal Neighbors of America.

That opportunity took the form of a unique partnership with another mission-driven FHLBank Chicago member, the Illinois Housing Development Authority (IHDA). Through FHLBank Chicago’s Community Impact Advance Pilot Program, Royal Neighbors of America

funded \$5 million of an IHDA bond to support affordable housing initiatives in Illinois, including down payment assistance loans for low- and moderate-income residents and the purchase of single-family mortgage-backed securities.

“Our partnership with IHDA grew out of a shared mission to strengthen communities. IHDA’s expertise and programs were a natural fit,” said Johnson. “By combining their knowledge of housing solutions with our commitment to community-driven philanthropy, we created meaningful and lasting social impact.”



Evan Johnson
Senior Portfolio Manager,
Real Estate at Royal
Neighbors of America

Community First Fund

The Community First Fund is a revolving loan fund that provides unsecured lending to community organizations, including non-depository community development financial institutions (CDFIs), to support their affordable housing and community development lending in Illinois and Wisconsin. The Community First Fund provides “patient” capital at low interest rates, enabling participating organizations to in turn provide reliable, long-term support to their communities.

\$14M

disbursed from our revolving community loan fund

\$51M

loans outstanding

8

CDFI partners currently supported



Partnership Showcase

CDFIs are private-sector, financial intermediaries with a primary mission of community development. Our partners who leverage the Community First Fund play a critical role in local markets, providing financial services to their communities. They are financing small businesses, community facilities, and housing development, providing affordable, consumer-friendly lending options and helping to create more vibrant, thriving communities throughout our district.



Allies for
Community
Business



CHICAGO
COMMUNITY
LOAN FUND

Helping create communities where people thrive



cinnaire[®]

ADVANCING COMMUNITIES



CIC



CRF
USA[®]



FORWARD

COMMUNITY INVESTMENTS



iFF

Strengthening
nonprofits and
the communities
they serve.



impact
seven

Championing Business Development

Our commitment to community development extends beyond housing—it also reaches the companies we engage in business. By forging relationships with our business partners, from small enterprises to brokerage firms, we gain fresh perspectives that enhance our operations while fostering their growth. This growth, in turn, fuels their ability to give back to our communities, creating a cycle of mutual benefit and more resilient local economies.

Strategic Sourcing

We believe that choosing qualified suppliers supports our efficiency and innovation, promotes growth and development, and supports job creation and economic development. Ensuring outreach to a broad range of suppliers in the procurement of goods and services is engrained into our vendor sourcing operations and helps us meet the needs of our members. We engage technology providers and professional services, secure supplemental staff as needed and purchase everyday goods and services from our service partners.



FHLBank Chicago employees working on upgraded Dell laptops, selected in collaboration with small business partner V3Gate.

Small Business Equips Employees with Tailored Technology

Ensuring that employees have the right technology is critical to living up to our values and reliably serving our members and communities. When it was time to update our laptops, we selected V3Gate for their strong technology resources. After an engaging employee selection process, V3Gate worked with FHLBank Chicago to choose Dell 9450 laptops which include Intune to simplify the deployment process and device and application management.

V3Gate combines technical expertise, strong problem-solving capabilities, and a deep understanding of government operations, all shaped by a company culture rooted in their CEO's military service.

“As a service-disabled, Veteran-owned small business, V3Gate understands the importance of bringing varied perspectives to problem solving and solution delivery. Our core values of inclusion, innovation and excellence encourage us to explore a broader range of partners and cutting-edge technologies,” said Phil Wargo, Advanced Technology Account Executive at V3Gate.

“We take pride in cultivating our expansive network to better serve our customers like FHLBank Chicago.”



Capital Markets

FHLBank Chicago raises money to fund member lending, mortgage programs and other balance sheet needs through the daily sale of FHLBank System debt securities in the global capital markets. We are focused on strengthening relationships with broker-dealers for underwriting our debt and sourcing investments for our investment portfolio.

To help support their business objectives, we often invite broker-dealers as guest speakers at member events and webinars and occasionally partner with other FHLBanks and the Office of Finance—our fiscal agent that issues and services all debt securities for the FHLBanks—to host events to engage our broker-dealers.



Expanding Opportunity in Global Capital Markets

Martin Cabrera started Cabrera Capital in 2001 with just three employees. Cabrera’s relationship with FHLBank Chicago has facilitated the firm’s growth and opened doors in the capital markets arena.

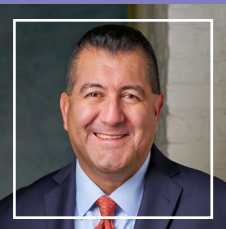
FHLBank Chicago enabled Cabrera Capital to begin trading To-Be-Announced (TBA) agency residential and commercial securities that settle forward up to three months. Cabrera Capital’s first large TBA transaction served as a springboard for further transactions, including with major agencies like Freddie Mac, which they had struggled to access for years.

Additionally, when Cabrera Capital started doing business with FHLBank Chicago on Tradeweb, an e-marketplace, it opened the door for even more business with the other FHLBanks, major Wall Street dealers, and other domestic and international clients.

FHLBank Chicago’s partnership was crucial in expanding business opportunities for Cabrera Capital. “A lot of people would just tell us no, based on what they thought we couldn’t do,” said Jeffrey Hotch, Director, Head of Structured Products at Cabrera Capital. “But now, we’ve had the opportunity to prove our ability to show up and compete for clients just like larger dealers.”

Soon, Cabrera Capital was taking on larger and more sophisticated transactions, particularly in agency commercial mortgage-backed securities and structuring new issue collateralized mortgage obligations. That growth is in part thanks to FHLBank Chicago’s commitment to conducting business with Cabrera Capital just as we do with larger institutions.

“FHLBank Chicago opened the door for us to compete and succeed in the marketplace. Once we got that chance, we stepped up to the plate and brought our competitive spirit and creative solutions in full force,” said Martin Cabrera. “It’s all about creating that opportunity, then leaving it to us to show what we can do.”



Martin Cabrera
CEO and Founder,
Cabrera Capital

Cultivating a High-Performing and Engaged Workforce

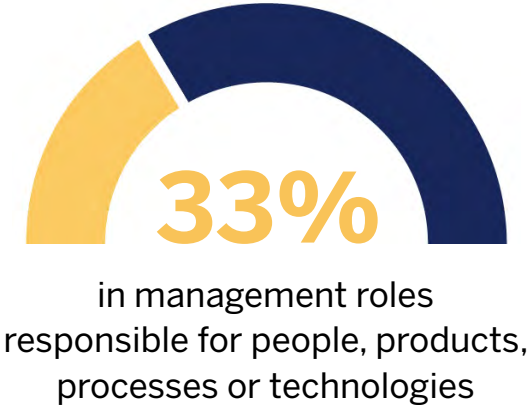
We foster a collaborative culture and empower employees to develop their skills and drive transformation within FHLBank Chicago and our communities. In our day-to-day operations, we value all perspectives and strive to inspire others. We believe it is important to create an atmosphere in which people are empowered, and opportunities are accessible.

We prioritize ongoing learning and development to succeed in understanding and supporting our members. Our members serve multifaceted communities across Illinois and Wisconsin—from quiet rural areas to small town main streets and from bustling cities to the sprawling Northwoods. To best

WORKFORCE COMPOSITION

481
total employees

8 years
average tenure

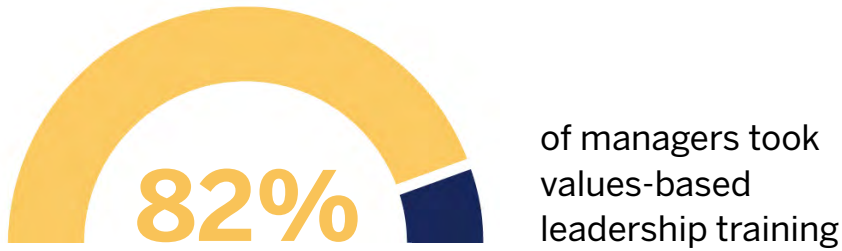


support these vibrant communities, we commit to improving our capabilities and proactively engaging with our partners every day.

Our employee development strategy encourages employees to apply their learnings on the job. In 2024, employees attended an interactive training on strategic thinking styles and creative collaboration techniques. Employees explored their own unique thinking styles and learned the Whole Brain® Thinking framework, which leverages a spectrum of cognitive styles to maximize team performance.

We also offered specialized leadership training for people managers rooted in our values—bold, committed, connected and trusted. Managers learned skills for deeper team engagement, active listening and two-way feedback, which they brought back to their respective teams.

LEADERSHIP TRAINING



Employees shape our culture through their unique perspectives, skillsets and voices. We offer an array of initiatives to engage, motivate and connect employees to build stronger teams and attract top talent.

In 2024, we formally launched our Coaches Helping to Accelerate Managers Program (CHAMP) after a successful pilot in 2023. The program fosters relationships between new and seasoned people managers across departments through a mentorship structure.

“Participating as a CHAMP mentor to Christopher Cummings, a new people manager in Bank Operations, was an incredibly rewarding and fulfilling experience,” shared 2024 CHAMP participant Stephen Booth, VP Managing Director of IT Operations. “Providing constructive feedback not only sharpened my communication and leadership abilities but also expanded my network and kept me accountable throughout the program.”

Attracting and Retaining Talent

We strive to attract a wide array of qualified candidates through recruiting partnership organizations, our college recruiting program, and a social media focus on our employee culture.

Our performance management process is done throughout the year and our ability to give and receive feedback, as well as set expectations more effectively, provides professional growth and creates accountability for our managers and employees. We are committed to supporting employee development and providing learning opportunities to help employees advance their careers, ensuring we have the right talent in the right roles.



FHLBank Chicago interns participated in a city-wide conference focused on career paths in the financial services sectors. During the conference, FHLBank Chicago employees volunteered throughout the event and participated in career panel discussions and networking activities. Additionally, Cedric D. Thurman, EVP, Group Head, Community Investment, served as the co-MC. FHLBank Chicago also provided the event space and small gifts for attendees.

Rotational Analyst Program

We offer a two-year program for rotational analysts where they gain deep insight into our operations, spending six months with four different teams on analytics, quantitative finance, operations, or IT-focused tracks. Throughout the program, analysts are paired with a mentor, as well as a buddy who is a current rotational analyst, who offers resources and support. The program includes a training and social calendar that provides the analysts with many opportunities to grow professionally and expand their network.

Internship Programs

We offer summer and long-term internship programs that give undergraduate and graduate students the opportunity to gain valuable financial industry experience. During our 10-week summer program, we work closely with interns to provide meaningful projects, networking and professional development opportunities. All interns complete a capstone project that addresses practical business issues, such as developing a new product or improving an existing process. At the end of the program, they present their findings and recommendations to our leadership team.

51
new employees welcomed

72
employees promoted



Internship Spotlight

Through our summer internship program, we are committed to creating an environment where young talent can grow and thrive in their careers. After graduation, 2023 summer intern Joe Wang joined FHLBank Chicago as a full-time analyst on our market risk team in 2024. Watch this video to hear from Joe and other summer interns and learn about their opportunities to continue their professional development.

[VIEW THE FULL STORY](#)

Cultivating a High-Performing and Engaged Workforce

Corporate Work Study Program

We partner with a Chicago high school, Christ the King Jesuit College Prep, to provide students with exposure to corporate work culture and mentorship. The program’s participants are junior-level students from underserved communities in the Southwest and West sides of Chicago. The work study allows these students to assist with work tasks in their respective departments and earn stipends to cover a portion of their educational costs—making quality, college prep education possible for students who could not otherwise afford it. In addition to providing opportunities for skill development, the program seeks to create a new generation of leaders and a path toward corporate career opportunities.



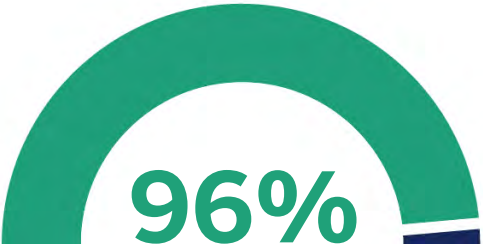
Professional Development and Mentoring

At FHLBank Chicago, we are committed to supporting employee development and providing learning opportunities to help employees grow in their careers. We strive to enhance career development and continue to build on our coaching culture. We have a robust set of guidelines to help employees and their managers collaborate and discuss learning and development needs and identify the best way to acquire relevant skills and knowledge. This includes learning in non-formal classroom or workshop environments such as on-the-job experiences, special projects or assignments, self-paced learning, or mentorships.

External Partnerships and Business Workshops

In 2024, we worked with McKinsey Academy to provide our employees with training focused on enhancing our risk culture. We believe strong risk management means fostering trust, support, and safety in the workplace, allowing for interpersonal risk-taking—such as sharing different perspectives or honest feedback. The training focused on best practices for employees to work together while upholding this type of culture. It incorporated elements from our Ability to Execute (A2E) Essentials learnings, as well as other practical tools and mindsets, to give employees what they need to be active participants in a safe environment that encourages open communication.

RISK CULTURE TRAINING



of employees participated in enhanced risk culture training

Cultivating a High-Performing and Engaged Workforce

Corporate Citizenship: Employee Volunteerism

In 2024, we implemented a Corporate Citizenship program focused on volunteerism, thought leadership, civic engagement, philanthropy, and leadership development. The objective is to foster strategic relationships aligned with our mission, focused on housing and economic development. The initiative will first focus on employee volunteerism and thought leadership, with civic engagement, philanthropy and leadership development phased in over time.

We are particularly excited about the employee volunteerism opportunities, which will largely focus on housing and economic development, but will also allow for action in the wider community.



Katharine Frantz and fellow volunteers helped bring a mural to life during a day of service at Ada S. McKinley Community Services.

Employees Strengthening Community Partnerships

While our products and programs provide the liquidity and community investment support that's necessary to fulfill our mission, volunteerism enables employees to create strong connections with our communities. These relationships allow us to better understand community needs, experience their challenges, and innovate our efforts to provide meaningful partnership.

Katharine Frantz, AVP, Sr. Manager, Business and Administrative Support Services, helped lead our volunteer efforts by identifying partnerships with nonprofits and organizing opportunities for employees to get involved. Throughout the year, employees participated in activities to support organizations focused on housing, community development and beautification, food insecurity, and small businesses.

Through these events, Katharine not only met new colleagues, but also gained valuable insight into how much our employees valued the volunteer work done together as a community. She was impressed by their enthusiasm, work ethic, and commitment to creating a positive impact on our communities, as well as the lasting effect of forming new connections over shared experiences.

These volunteer efforts offered Katharine an opportunity to focus on serving a greater good as a corporate citizen. "It means having an impact that reaches out beyond my role at the Bank and into the communities our members serve," said Katharine. "I believe we have a responsibility to provide more than financial resources to these communities. This service can come in many forms, but ultimately it should enhance the lives of the people around us."

A standout moment for Katharine was partnering with Rebuilding Together Metro Chicago to support the Ada S. McKinley Community Services facility—a center that provides resources for individuals with intellectual and/or developmental disabilities. Volunteers built a greenhouse tent, raised and upgraded garden beds, installed an efficient hose system, and painted a mural sketched by a local artist. The mural in particular resonated most with Katharine. "Seeing everyone put their own unique mark on this wall, turning it into one cohesive and vibrant piece of art, was so fun to see. It's really special to know that the mural will be there to greet the Ada S. McKinley day program clients for years to come."

10,700+

hours volunteered by employees in 2024

Cultivating a High-Performing and Engaged Workforce


Employee Benefits

In addition to our robust employee engagement activities and professional growth opportunities, we strive to foster a positive employee experience through our total rewards package, offering a variety of benefits that make FHLBank Chicago stand out as a top workplace.

In 2024, we launched a Lifestyle Spending Account (LSA) for benefits-eligible employees, providing an account of after-tax money for everyday needs. Eligible expenses align with our seven pillars of well-being: physical, social, intellectual, spiritual, emotional, financial and occupational—an example of our holistic approach to supporting employees, in and out of the office.




Jingyi Xu contributes to a team discussion as part of her ongoing professional growth at FHLBank Chicago.




Competitive Salaries

and performance-based incentives




Retirement Plan

401(k) with **employer match** and a pension




Lifestyle Spending Account

Reimburses employees for up to **\$1,200** in well-being costs




Health Insurance

Medical plans with salary-based health insurance premiums




Work/Life Balance

Competitive paid time off plan—**25 days** for starting full-time employees plus **11 paid holidays**




Paid leave options, including short- and long-term disability, maternity, family and new child leave



Office Perks

Fitness center, \$5 daily lunch stipend, dedicated rooms (Mothers, Wellness, Prayer)



Tuition Reimbursement Program

Up to **\$25,000** each calendar year per employee. In 2024, 20 employees received **\$300,000+** in tuition reimbursement support.

Investing in Upskilling Our Employees

As employees progress in their careers at FHLBank Chicago, growing and learning new skills is a high priority. For Jingyi Xu, Sr. Manager, Markets Credit, her career growth has been dynamic since she joined the Bank in 2016. Jingyi started as an analyst in the Credit department, quickly advancing to a Lead Analyst role where she worked with complex financial models, cross-functional projects, and strategic initiatives. She recognized that advancing to higher-impact roles required a deeper understanding of business strategy, leadership, and organizational management.

To bridge this gap, Jingyi leveraged our tuition reimbursement program to pursue an MBA in Analytic Finance, Economics, and Strategic Management. “The Bank’s tuition reimbursement program was a major factor in my decision to return to school, as the generous benefits made the educational opportunity significantly more attainable,” said Jingyi.

Jingyi was able to attend classes part-time, aligning her coursework with her current and future professional development goals while enhancing her growth potential within the organization. Outside of the classroom, the MBA program gave Jingyi the opportunity to develop a strong network of professors and classmates from various industries, offering valuable perspectives and advice.

Jingyi graduated with her MBA from the University of Chicago Booth School of Business in August 2024. She is excited to use her knowledge to build strong, high-performing teams, address complex challenges, develop innovative solutions, and lead value-creating initiatives for our members.

Cultivating a High-Performing and Engaged Workforce

Our Headquarters

Our home office in the Old Post Office in Chicago, a 1921 Art Deco building, was vacant for many years prior to going through a significant historic redevelopment effort. Today, it is a central hub for our headquarters providing many perks to facilitate employee well-being.

Tenant Amenities: Employees have access to a range of dining options, a full-service gym and wellness center, parking and bicycle storage. The building also has a private rooftop offering a running track and multi-sport courts, and a lounge for recreational activities.

The “Meadow” Rooftop: The roof intercepts and helps divert storm water from entering the storm sewer system. It illustrates—at a large scale—how vegetated roofs can be attractive, functional, and an asset to development projects. There are native and adapted perennials and grasses that also help reduce the overall demand for water and improve air quality. The Meadow is home to bee colonies that aid in pollinating the flowers.

Access to Public Transportation: Our office is centrally located downtown near most Chicago Transit Authority city trains, and Union Station and Ogilvie Transportation Center which operate Metra rail commuter trains taking employees to and from surrounding suburbs, giving employees flexibility and contributing to shorter commutes.

Office Recycling: In 2024, we piloted a composting program and provided education on recycling and composting best practices for our staff to minimize waste. Additionally, we recycle or donate useable technology.



The “Meadow” rooftop at FHLBank Chicago headquarters in the Old Post Office.

Reuse and Recycling Divert 96% of Office Materials from Landfills

FHLBank Chicago’s Business Resiliency Center (BRC) space was created in 2014 to ensure business continuity if employees were unable to reach our office in cases of emergency. While the BRC was a vital resource during the COVID pandemic, over the next few years our enhanced technology for remote operations made it clear that the BRC was no longer essential.

When plans to decommission the BRC began, discussion immediately focused on how to reuse or recycle as much as possible. In 2024,

we engaged Office Furniture Resources (OFR), our moving and furniture vendor, to recycle most of the materials and e-waste. We also worked with the BRC space owner to reuse much of the furniture for incoming tenants as a value add.

In total, 12 trailers filled with 3,302 pounds of furniture were diverted from landfills. Through this collaboration with OFR, FHLBank Chicago was able to achieve an impressive 96% landfill diversion rate.

Strong Risk Management and Governance

We strive to operate under the highest standards of business ethics and governance. FHLBank Chicago is led by committed and expert leaders on our Board of Directors and Executive Team. They all have the goal of ensuring we are providing liquidity and reliable funding to our members, supporting housing and economic development in our communities, and fostering a collaborative culture.

Board of Directors

The Board of Directors of FHLBank Chicago is responsible for overall management and oversight of the Bank. We have directors that represent our membership and independent directors representing the industry. Our directors live throughout Illinois and Wisconsin and have experience with both urban centers and rural communities. For 2025, we have nine member directors and eight independent directors. Generally, directors stand for re-election every four years and serve a maximum of three consecutive four-year terms. Visit [our website](#) to learn more about each director.

Board Committees

The Board is responsible for approving and overseeing management’s implementation of our strategic objectives, governance framework and corporate culture. The Board accomplishes its functions both by acting directly and by delegating oversight for certain activities to Board Committees which report to the full Board.

For 2025, our Board Committees include:

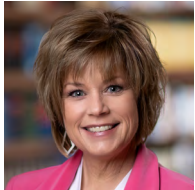
- Affordable Housing Committee
- Audit Committee
- Executive and Governance Committee
- Human Resources and Compensation Committee
- Operations and Technology Committee
- Risk Management Committee



Board of Directors



Joseph Fazio III
Chairperson
Chairman of the Board of Directors
Bristol Morgan Bank



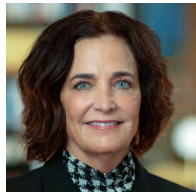
Michelle L. Gross
Vice Chairperson
EVP/COO, Information Systems Officer,
and Director
State Bank of Bement



James H. Hegenbarth
Vice Chairperson Elect
President
Greenwoods State Bank



Dean A. Ahlers
President and CEO; Board Director
Sterling Federal Bank



Kathy Burns
Chief Executive Officer
Aclaimant



Mark J. Eppli
Faculty Member
Wisconsin School of Business
Graaskamp Center for Real Estate at the
University of Wisconsin–Madison



Betsy A. Johnson
President and CEO
Solutions Bank



Phyllis Lockett
Chief Executive Officer
LEAP-X



Kevin L. Newell
Founder and CEO
Royal Capital Group



Michael G. O'Rourke
President and CEO
Signature Bank



John W. Pietrowicz
Former Chief Financial Officer
CME Group



Lois Alison Scott
President
Epoch Advisors



Ty R. Taylor
President and CEO
Waukesha State Bank



Kenneth D. Thompson
Executive Chairman of the Board
Capitol Bank



Daniel G. Watts
Director and President
Forest Park National Bank and
Trust Company



Maria E. Wynne
Board Member and Membership
Committee Chair
National Association of Corporate
Directors' Chicago Chapter



Andrea L. Zopp
Managing Partner
Cleveland Avenue

Executive Team

The Executive Team develops and implements the overall business strategies of FHLBank Chicago, subject to Board approval. It acts as the primary management committee across all functions and considers and addresses significant issues affecting our business and operations. Visit [our website](#) to learn more about each leader’s role and access their bio.

Other Management Level Committees

- Affiliated Institution Lending Governance Committee
 - Asset/Liability Management Committee
 - Credit and Collateral Committee
 - Collateral Verification Review Sub-Committee
 - Disclosure Committee
 - Enterprise Risk Management Committee
- Mission Committee
 - Operational Risk Oversight Committee
 - Model Risk Oversight Sub-Committee
 - Technology Risk Oversight Sub-Committee
 - Retirement Plan Committee



Michael A. Ericson
President and CEO



Christian Claffy
EVP, Group Head,
Member and Bank Operations



Kim Cullotta
EVP, Group Head,
People, Culture, and Communications



Virxhini Gjonzeneli
EVP, Chief Financial Officer,
Group Head, Financial
Accounting and Markets



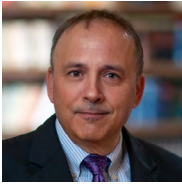
Thomas H. W. Harper
EVP, General Auditor



Carolyn Jaw
EVP, Group Head, Sales,
Strategy, and Solutions



Michelle Jonson
EVP, Chief Risk and Compliance
Officer, Group Head,
Risk Management



Samuel J. Nicita
EVP, Chief Information Officer,
Group Head,
Information Technology



Patrick Sullivan
EVP, Group Head, Mortgage
Partnership Finance Program



Cedric D. Thurman
EVP, Group Head,
Community Investment



Laura M. Turnquest
EVP, General Counsel and
Corporate Secretary

Community Investment Advisory Council

The Community Investment Advisory Council (CIAC) of FHLBank Chicago consists of leaders from community and nonprofit organizations actively involved in providing or promoting affordable housing and/or community lending in Illinois or Wisconsin. The CIAC advises us on ways we can better carry out our housing finance and community investment missions. Nominations to the CIAC are accepted annually. Visit [our website](#) to see bios for the CIAC members.

Member Advisory Committees

Our three Member Advisory Committees are comprised of representatives of member banks, credit unions and insurance company members of varying sizes across our district. We host periodic forums for members to discuss market and industry trends, review, recommend and collaborate on new product and service ideas, and provide us with suggestions and feedback. Each member is represented by a senior financial representative from their institution.

Mortgage Partnership Finance (MPF) Governing Council

The MPF Governing Council oversees and provides governance for the MPF Program and is comprised of representatives from all FHLBanks. It is a forum to discuss topics related to the various mortgage programs offered by all FHLBanks, including matters involving product development and supporting community lenders and their communities. The MPF Governing Council meets monthly and representatives of FHLBanks actively participating in the MPF Program have the authority to vote on MPF Program initiatives.

MPF Advisory Council

The MPF Advisory Council provides a national forum for mortgage professionals to share their expertise, experiences and views of real estate lending activity, general market issues affecting housing and various secondary mortgage markets issues. The MPF Advisory Council is comprised of leaders from member institutions who qualify to sell mortgages into the MPF Program from the six participating FHLBanks. They help identify the best-in-class solutions to the problems and issues encountered by community real estate lenders and how the MPF Program can better support these lenders and thereby better support their communities.

“

Participation in the MPF Advisory Council has allowed us to provide valuable feedback, which we’ve seen directly influence product offerings and adjustments in loan pricing. These changes have enabled us to deliver better products and pricing to our customers while also contributing increased volume. An example is the addition of improved pricing for specified loans with low loan balances and low- to very-low-income borrowers. This was not available when we first started but is today allowing us to deliver significantly more of these mortgage loans.

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Tim Tuz
SVP, Capital Markets,
Wintrust Mortgage

Policies

FHLBank Chicago has implemented policies to help us serve our members and their communities with honesty and maintain their trust.

Anti-Money Laundering, Bank Secrecy Act, and Suspicious Activity Reporting Policy

In compliance with the applicable Financial Crimes Enforcement Network regulations (31 C.F.R. Part 1030) and certain FHFA regulations, FHLBank Chicago has adopted its Anti-Money Laundering, Bank Secrecy Act, and Suspicious Activity Reporting Policy. The policy outlines our commitment to preventing, detecting and reporting suspicious activity in our business and operations.

Anti-Predatory Lending Policy

FHLBank Chicago recognizes that predatory lending practices, including higher-priced mortgages, are inconsistent with advancing homeownership. To discourage predatory lending, we have established the [Anti-Predatory Lending Policy](#) that applies to both collateral pledged to us and mortgage loans we acquire through the MPF Program either from our own members or from members of other FHLBanks.

Code of Ethics and Whistleblower Policy

We are committed to the highest possible standards of honesty, integrity, impartiality and conduct. The maintenance of these high standards is essential to ensure the proper performance of FHLBank Chicago's business and foster confidence in FHLBank Chicago and the FHLBank System. In an effort to ensure that both our employees and our vendors operate following these ethical standards, FHLBank Chicago has adopted the [Whistleblower Policy](#) and the [Federal Home Loan Bank of Chicago Code of Ethics](#).

Governance and Controls Assurance Program

We are committed to building and maintaining an appropriate control environment for the risks undertaken by FHLBank Chicago and appreciate the need for members and other business partners to receive assurance on these controls. Business stakeholders can [request our Governance and Controls Assurance Program document](#) which provides an overview of our risk management, governance, and operational controls to assist them in managing their own vendor governance requirements and regulatory obligations.

Approach to Identifying and Addressing Cybersecurity Risks

FHLBank Chicago's cybersecurity program is managed by the Chief Information Security Officer and is overseen by various Bank management committees and the Board of Directors. In alignment with industry standards, such as the National Institute of Standards of Technology Cybersecurity Framework, and FHFA regulatory guidance, we have implemented processes for assessing, identifying and managing cybersecurity risks through a layered approach throughout our environment and in our service provider arrangements.

Cybersecurity risk-mitigation processes include, but are not limited to: performing regular risk assessments to identify, understand and prioritize risks from cybersecurity threats; the implementation of firewalls, anti-virus software, and real-time network monitoring; ongoing employee training to educate employees on how to identify and avoid various forms of social engineering; performing routine threat monitoring (including use of a third-party service provider monitoring) and controls testing; and maintaining a vulnerability management program to timely identify and remediate cybersecurity risks. We also regularly engage with third parties, including cybersecurity experts, to test, maintain and enhance our cybersecurity risk management practices and threat monitoring.

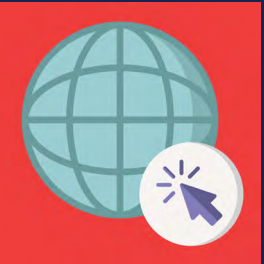
This Report reflects FHLBank Chicago's good faith effort to present our recent, ongoing and currently anticipated endeavors to support and empower our members, communities and employees. FHLBank Chicago's plans and goals are aspirational and not guarantees or promises. There can be no assurance that our programs, policies and procedures as described will continue; they could change, even materially, as they may be based on standards and approaches that are still developing, internal processes that continue to evolve or assumptions that are subject to change or that are eclipsed by new considerations or priorities. Any goals, commitments, incentives and initiatives outlined in this Report are, unless stated otherwise, purely voluntary, are not binding on FHLBank Chicago and/or its management and do not constitute a commitment regarding actual or potential positive impacts or outcomes. This Report contains statements describing our plans, objectives, targets, goals, commitments and programs in furtherance of support of our members, communities and employees. These statements, as well as other future predictions of management, statements of belief, or any statements of assumptions underlying the foregoing, may be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "expects," "could," "plans," "target," "goal," "commit," "achieve," "project," "intend," "estimates," "may," their negatives, other variations of these terms, or words of similar import. Such statements are based on management's current expectations and beliefs and are subject to risk, uncertainty and changes in economic, business, competitive, regulatory and other factors affecting FHLBank Chicago, which are difficult to predict, may be beyond our control and could cause the achievement of the goals, targets and commitments reflected in this Report to vary materially from those expressed or implied by this Report for myriad reasons, including changes in circumstances, estimates that turn out to be incorrect, evolving standards of measurement, revised assumptions, or other factors. Such risks and uncertainties include the risk factors discussed in the Risk Factors section starting on page 18 of our 2024 Form 10-K, subsequent quarterly reports on Form 10-Q and other filings made with the Securities and Exchange Commission, as well as those discussed in this Report and other challenges and assumptions that we presently are unable to foresee or consider to be immaterial. These risks are not the only risks we face or that could affect us going forward. For these reasons, undue reliance should not be placed on such statements. Statements in this report speak only as of the dates they were made, and we undertake no obligation to revise or update any such statement. Certain information contained in this Report was provided by third parties including our business partners, and FHLBank Chicago is not responsible for such information, nor do we guarantee its accuracy and completeness. "Mortgage Partnership Finance", "MPF", "eMPF", "MPF Xtra", "Downpayment Plus", "DPP", "Downpayment Plus Advantage", "DPP Advantage" and "Community First" are federally registered trademarks of FHLBank Chicago.



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