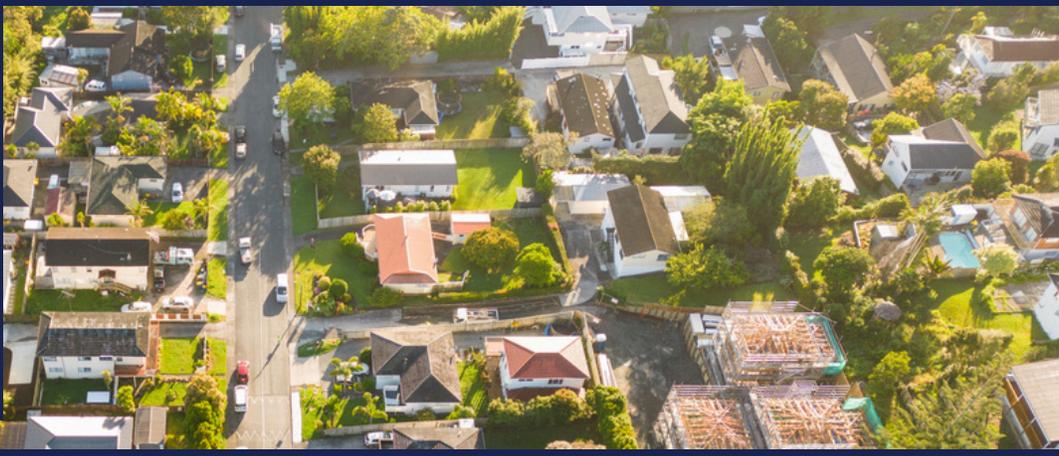


Community Impact Advance Pilot Program



What Is the Community Impact Advance Pilot Program?

The Community Impact Advance Pilot Program is an advance product that allows members to borrow at 50 to 200 basis points (bps) below regular advance interest rates to support affordable housing, economic development, and community partners in Illinois and Wisconsin. The program will open on July 16, 2024, and run through June 30, 2027, with a total of \$50M in interest rate subsidies available to members.

How Can You Participate?

- Identify eligible activities within your communities that can be supported through your participation in the program.
- Complete an application to reserve up to \$1M in interest rate subsidy for eligible activities. Funding is allocated on a first come, first serve basis.
- Report on the impact of eligible activities before executing the advance. Impact data must be reported before the advance will be issued.

What Are the Benefits?

- Potential Community Reinvestment Act (CRA) credit
- Discounted funding, up to 200 bps, off regular advance interest rates
- Amplify your support of community development activities
- Develop new or strengthen existing customer relationships
- Enhance relations with underserved communities and expand your community reach

Advance Parameters	
Advance Product	A121 Fixed Rate, Fixed Term
Advance Rate Discount	Between 50 – 200 bps off the prevailing advance rate when the advance is executed. Per-member interest rate subsidy limit of \$1M in aggregate applies.
Advance Term	1 year – 10 years
Advance Size	Minimum \$10K, subject to Program limits and any other requirements or limits applicable to advance products.
Number of Advances	Multiple advances permitted subject to per-member and Program limits.
Prepayment Fees	Applicable. No symmetrical prepayment feature.
Capital Required	4.5% or 2% (RCAP), at member's option.

Application and Approval Process

Use of Proceeds

Eligible activities should directly support new loans, grants, or investments in Illinois or Wisconsin and align with one of the three categories below:



Affordable Housing – Create or support affordable owner-occupied housing or rental units.
Owner Occupied: Borrower income ≤ 150% AMI or property located in a census tract with ≤ 100% AMI
Rental: Property located in census tract with ≤ 100% AMI



Economic Development – Create and retain jobs in a small business, or provide critical infrastructure and community facilities in low- and moderate- income areas.
Activity must be located in a census tract with ≤ 115% AMI



Community Partners – Activities that expand access to capital for community development financial institutions (CDFIs), community development entities (CDEs), 501(c)(3)-designated nonprofit entities, and public benefit corporations that assist underserved populations.

Interest Rate Subsidy Reservation

Leverage Community Impact Advance interest rate subsidy calculator to determine advance parameters. Submit a web-based application with the desired interest rate subsidy, advance details, and Impact Category. Requested subsidy funds will be reserved for 90 calendar days following from the date the request is made.

How will the subsidy be calculated?

Example: \$500K 3-Year Advance with 200 bps Discount:

$$\begin{array}{ccccccc} \mathbf{2.00\%} & \times & \mathbf{\$500K} & \times & \mathbf{3} & = & \mathbf{\$30K} \\ \text{Rate Discount} & & \text{Notional} & & \text{Years} & & \text{Subsidy} \end{array}$$

Community Impact Reporting

Report detailed impact data prior to the issuance of a Community Impact Advance. Impact data may be reported at the time of application for reserved funds or any time prior to the expiration of the reservation period.

What is needed for impact reporting?

- Location(s) of impact activities
- Impact measurements for the activity, for each AMI band
- Estimated impact on broader community and business
- Detailed description of community impact

Advance Execution

Call the Member Transaction Desk at 855.345.2244, option 1 to execute the Community Impact Advance, subject to application terms. If program funds are still available and a member has not exhausted its \$1M per-member interest rate subsidy limit, they may submit a new request to reserve funds for a new eligible activity.

Community Impact Advance - Use Cases and Primary Impact Measurement

While many activities are eligible to support the Community Impact Advance, below are example use cases and the corresponding area median income (AMI) requirements.

Impact Category	Eligible Activity	AMI Requirement	Unit of Measure
Affordable Housing	Construction or rehabilitation of owner-occupied housing	Borrower: 150% AMI Location: 100% AMI	Number of households supported
	Construction or rehabilitation of rental housing	Borrower: N/A Location: 100% AMI	Number of rental units supported
	Finance manufactured housing development	Borrower: 150% AMI Location: 100% AMI	Number of households supported
	Lending for owner-occupied housing	Borrower: 150% AMI Location: 100% AMI	Number of households supported
	Lending for rental or non-owner-occupied housing	Borrower: N/A Location: 100% AMI	Number of rental units supported
	Purchase housing development bonds	Borrower: 150% AMI Location: 100% AMI	Number of households supported

Impact Category	Eligible Activity	AMI Requirement	Unit of Measure
Economic Development	Agriculture loans or investments on land, livestock, machinery, and improvements	Borrower: N/A Location: 115% AMI	Number of jobs created or preserved
	Finance broadband expansion project in rural community	Borrower: N/A Location: 115% AMI	Number of projects financed or supported
	Finance public or community center loans or investments	Borrower: N/A Location: 115% AMI	Number of projects financed or supported
	Industrial or manufacturing loans or investments	Borrower: N/A Location: 115% AMI	Number of jobs created or preserved
	Public school loans or investments	Borrower: N/A Location: 115% AMI	Number of jobs created or preserved
	Purchase municipal bond for specific municipal project	Borrower: N/A Location: 115% AMI	Number of projects financed or supported
	Small business loans or investments	Borrower: N/A Location: 115% AMI	Number of jobs created or preserved

Impact Category	Eligible Activity	AMI Requirement	Unit of Measure
Community Partners	Financial support for initiatives advancing underserved populations or communities	No limit	Number of partners supported
	Fund interest rate buydown on loans originated by Habitat for Humanity	No limit	Number of partners supported
	Give grant to nonprofits	No limit	Number of partners supported
	Lend to a Community Development Financial Institution (CDFI)	No limit	Number of partners supported
	Purchase loans from nonprofit and hold on balance sheet, while nonprofit services the loan	No limit	Number of partners supported