



Community Advance



What is the Community Advance?

The Community Advance streamlines multiple community advance products into a single product with an improved application and approval process. The new Community Advance product enhances financing and activity eligibility, while offering competitive pricing to support your lending initiatives that incentivize community impact activities.

How Can You Participate?

- Identify eligible activities within your communities that can be supported through your participation in the product — activities must be closed or settled within the past 90 calendar days from the advance execution
- Complete the online application and get real-time eligibility confirmation and approval within minutes — no more waiting 24 to 48 hours
- Submit streamlined documentation, including upfront member certification

What Are the Benefits?

- Lower cost of funds and flexible terms
- Amplify your support of community development activities with potential to earn CRA credit
- Attract and retain customers and increase competitiveness for your lending business
- Enhance your relations with underserved communities and expand your community reach
- Broader eligibility:
 - Loan originations and participation interests
 - Mortgage-backed securities, mortgage revenue bonds, LIHTC
 - Loans to/purchases from non-depository CDFIs and nonprofit mortgage originators
 - All eligible small business loans qualify — no AMI limit
- Better pricing for certain eligible activities, including loans to/purchases from non-depository CDFI and non-profit mortgage originators and certain financing options for certain housing construction and rehab activities
- No match funding requirements
- Both floating and fixed rate advances available



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Advance Parameters

Interest Rate Discount

- Discounted between 10.5 – 200 bps from regular advance rate, at the time of advance execution
- Per-member interest rate subsidy limit applies based on discount

Advance Term

- Min 28 days – 1 year; defined by advance type
- Max 3 - 30 years; defined by advance type
- The amount and term cannot exceed those of the underlying activity(s)

Match Funding

- Not required

Prepayment Fees

- No prepayment required if underlying activity is prepaid or sold
- Prepayable at par in whole or in part plus accrued interest and the applicable prepayment fee

Post-Funding Compliance

- No post-funding certification or reporting requirement
- FHLBank Chicago may complete random sampling or request supporting documentation after funding

Community Advance Eligibility

Affordable Housing

- Funding for affordable housing (purchase, refinance, construction, or rehabilitation)

Economic Development

- Funding for small businesses, essential infrastructure, and community facilities

Community Partners

- Funding for non-depository CDFIs to make affordable housing and economic development-eligible loans
- Funding for nonprofit mortgage originators to make affordable housing-eligible loans



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