



## Program Overview

- 1. Purpose:** To provide nonprofit, non-depository lenders grant funds to strengthen their financial position, operational efficiency, and/or human capital in support of affordable housing, economic development, and small business lending in FHLBank Chicago’s district of Illinois and Wisconsin.
- 2. Allocation:** In 2021, FHLBank Chicago expects to award \$250,000 through the Capacity-Building Grant Program, not to exceed \$50,000 per recipient.
- 3. Joint Application:** Organizations seeking funding must partner with an FHLBank Chicago member to submit an application.
- 4. Member Limits:** Members may submit multiple applications on behalf of different organizations. FHLBank Chicago may, at its discretion, establish an annual member limit.

## 2021 Program Timeline

Important Dates	
Application Round Opens	August 2, 2021
Application Deadline	September 3, 2021
Notification and Request for Additional Information	September 24, 2021
Additional Information Deadline	October 22, 2021
Awards Announcement	November 19, 2021

## Program Guidelines

- 1. Eligible Organizations:** Applicants must be **nonprofit, non-depository lenders** with a primary mission of community development focused on serving low-income, low-wealth, and other disadvantaged people and communities. The Capacity-Building Grant Program supports organizations with **affordable housing, economic development, and/or small business loan programs** in FHLBank Chicago’s district of Illinois and Wisconsin. This may include regional and national organizations with **a lending footprint in FHLBank Chicago’s district**. Applicants must be a non-governmental entity. If the applicant is part of or controlled by another entity, that entity also must have a primary mission of community development.

**Examples of eligible organizations may include, but are not limited to:**

- Community Development Financial Institutions (CDFIs)
- Community Development Loan Funds (CDLFs)
- Community Development Corporations (CDCs)

- 2. Eligible and Ineligible Uses of Funds:** Capacity-Building Grant Program funds are intended to provide operational support.

**Eligible uses include, but are not limited to:**

- New program or product development
- Market research to expand existing programs
- Marketing and branding
- Professional development of staff and/or board(s)
- Creation or improvement of lending policies and procedures
- Creation or expansion of strategic plan
- Enhancements to information technology and systems
- Improvements to lending, financial, and/or mission-related reporting



**Ineligible uses include, but are not limited to:**

- Salaries, wages, stipends, and/or benefits for new or existing interns and/or staff
- Lending capital
- Loan loss reserves
- Administrative overhead
- Litigation costs/expenses
- Lobbying

**3. Grant Amount:** Applicants may request up to \$50,000 to support one or multiple uses of funds. The size of the grant awarded may not be the full amount requested if not properly supported.

**4. Application Process and Evaluation Criteria:** There is a two-part application process.

**Initial Application:**

- Interested organizations need to complete and submit an application in partnership with an FHLBank Chicago member institution, along with documentation to evidence existence, nonprofit status, and good standing.
- The applicant must have a compelling strategy to increase and/or strengthen community development lending within FHLBank Chicago's geographic footprint and must demonstrate how the grant funds help achieve this strategy.
- FHLBank Chicago will review each application assessing the strength of the organization in meeting its mission and objectives, types of lending programs, geographic footprint, proposed uses of funds, and proposed outcomes.
- Once all applications are reviewed, FHLBank Chicago will inform all applicants on the status of their application:
  - The applicant is invited to move forward as a potential recipient
  - The applicant is declined
  - The applicant is ineligible

**Request for Additional Information:**

- Applications invited to move forward will be asked to submit additional information to support the initial application. Information requested may include, but is not limited to:
  - Final budget with detailed support for each proposed use(s) of funds
  - Organizational strategic plan
  - A resume for the individual(s) responsible for leading the initiative and managing the grant
  - Brief biographies for the executive team and board of directors
  - List of funding sources and investors
  - Two years of audited financial statements
  - List of lending products
  - Loan portfolio performance report(s)
  - List of specific, measurable outcomes related to proposed uses(s) of funds that will guide the required two-year compliance reporting
  - Examples of current mission and/or outcome reporting
  - FHLBank Chicago member involvement
- The applicant must provide detailed support for each use(s) of funds, projected outcomes, and describe anticipated impact over a designated compliance period.
- FHLBank Chicago will review additional information assessing the organization's strategy, governance, and management; program objectives; financial performance; and strength of operations, capital, and portfolio performance.
- Once all additional information is reviewed, FHLBank Chicago will inform applicants on the final status of their application.

**5. Post-Award Process**

**Grant Agreement**

- Shortly after award notification, FHLBank Chicago will distribute a Grant Agreement to all grant recipients and FHLBank Chicago members through DocuSign.
- The grant recipient, FHLBank Chicago member, and FHLBank Chicago must all execute the Grant Agreement to make it effective.



### **Disbursement**

- Grant recipients are responsible for requesting disbursement of grant funds through the FHLBank Chicago member by a designated deadline.
- Grant funds spent must be supported with documentation, such as receipts, invoices, etc.
- After FHLBank Chicago member disburses grant funds, the member then requests reimbursement from FHLBank Chicago.
- FHLBank Chicago reimburses the FHLBank Chicago member through that member's Daily Investment Deposit (DID) account.

### **Impact Reporting**

- Grant recipients are required to submit two compliance reports according to a designated schedule.
- Reporting requirements include, at a minimum, a narrative describing progress and outcomes in addition to audited financial statements.

## **Questions**

For questions and technical assistance, please contact the Community Investment staff listed below:

Annie Kraft  
[akraft@fhlbc.com](mailto:akraft@fhlbc.com)  
312.552.2724

Michal Czopczyc  
[Mczopczyc@fhlbc.com](mailto:Mczopczyc@fhlbc.com)  
312.552.1208



### **Application Instructions**

- o This application is a fillable PDF designed to be completed electronically instead of printing and scanning.
- o Applicants must provide documentation to evidence existence, nonprofit status, and good standing. Specific documentation requirements are as follows:
  - o Illinois: Certificate of Good Standing
  - o Wisconsin: Certificate of Status and Certificate of Charitable Organization
  - o Out-of-District: Certificate of Authority to conduct business in Illinois and/or Wisconsin and evidence of nonprofit status and good standing from state of incorporation.
- o The applicant must complete and submit the application in partnership with an FHLBank Chicago member. Signatures representing the applicant and FHLBank Chicago member institution are required.
- o Submit the completed application and supporting documentation as one PDF to [ci@fhlbc.com](mailto:ci@fhlbc.com) by September 3, 2021.
- o For questions and technical assistance, please contact Annie Kraft ([akraft@fhlbc.com](mailto:akraft@fhlbc.com)) and Michal Czopczyc ([Mczopczyc@fhlbc.com](mailto:Mczopczyc@fhlbc.com))

### **Applicant Information**

Name of Organization: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

### **Member Information**

Name of Institution: \_\_\_\_\_

Member Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_



## Grant Request

### Amount Requested:

\$ \_\_\_\_\_

(Cannot exceed \$50,000; however, initiative can be supplemented with other funding sources)

### Proposed Use of Funds (Check all that apply):

New Program or Product Development

Market Research

Marketing and Branding

Professional Development

Other: \_\_\_\_\_

Policies and Procedures

Strategic Plan

Information Technology/Systems

Reporting

## Narrative

### 1. Describe the applicant's core mission, a brief history, and notable accomplishments.



**2. Describe the applicant's existing community development lending programs.**

**3. Describe the applicant's geographic lending footprint.**



**4. Describe the applicant's strategy to increase and/or strengthen community development lending in Illinois and/or Wisconsin.**

**5. Describe the applicant's proposed use of grant funds to achieve the strategy identified above.**



**6. Describe the applicant's expected outcomes related to lending.**

**Certification and Signature – Applicant**

**Select Yes/No for each of the following statements:**

Applicant is a nonprofit, non-depository lender with a primary mission of community development

Applicant has a lending footprint in Illinois and/or Wisconsin

Applicant has included evidence of existence, nonprofit status, and good standing

**The undersigned certifies that:**

1. All information provided above is accurate and necessary steps were taken to ensure its accuracy; and
2. The applicant meets the eligibility requirements of the Federal Home Loan Bank of Chicago's Community First Capacity-Building Grant Program.

Authorized Signature: \_\_\_\_\_

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Certification and Signature – Member**

**The undersigned, with full authority to make the certification below on behalf of the member, hereby certifies that:**

1. All information provided above is true, correct, and
2. The applicant meets the eligibility requirements of the Federal Home Loan Bank of Chicago's Community First Capacity-Building Grant Program.

Authorized Signature: \_\_\_\_\_

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Please submit the application and supporting documentation as one PDF to [ci@fhlbc.com](mailto:ci@fhlbc.com) by September 3, 2021.**