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Chicago

# **Frequently Asked Questions about FHLBank Chicago's Community First<sup>®</sup> Disaster Relief Program**



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## Overview

### **1. What is the Community First® Disaster Relief Program?**

The Community First® Disaster Relief Program (“Disaster Relief Program”) offers direct relief grants to eligible homeowners and small businesses (“beneficiaries”) located in declared disaster areas. The grant funding is accessed and administered through participating FHLBank Chicago member institutions (“members”).

### **2. How does the Disaster Relief Program work?**

- Members submit applications for grant funding on behalf of eligible beneficiaries. Affected homeowners and small businesses must work with a member to submit an application.
- The grant amount is \$5,000 for each eligible beneficiary.
- FHLBank Chicago will process applications in order of submission as long as sufficient funds are available.
- FHLBank Chicago will fund approved applications on a weekly basis by crediting the member’s FHLBank Chicago DID account; the member is responsible for disbursing grant funds to beneficiaries.

### **3. Are all members eligible to participate in the Disaster Relief Program?**

All members, with the exception of associate members, are eligible to participate in the Disaster Relief Program. FHLBank Chicago encourages associate members to work with their FHLBank Chicago member institution partners on behalf of potential beneficiaries.

### **4. How much grant funding is available through the Disaster Relief Program?**

FHLBank Chicago has allocated \$450,000 to its Disaster Relief Program in response to the severe storms that occurred in Illinois on December 10, 2021 (“qualifying disaster”).

### **5. What counties are located in the qualifying disaster area?**

The following Illinois counties are located in the qualifying disaster area: Bond, Cass, Champaign, Coles, Edgar, Effingham, Fayette, Ford, Greene, Grundy, Iroquois, Jackson, Jersey, Kankakee, Lawrence, Livingston, Logan, Macon, Macoupin, Madison, Menard,



Montgomery, Morgan, Moultrie, Pike, Sangamon, Shelby, Tazewell, and Woodford.



**6. Is the Disaster Relief Program first-come, first-served?**

Yes, applications are processed and funded in order of submission to FHLBank Chicago as long as sufficient funds are available. If an application is incomplete or incorrect, FHLBank Chicago will not place the application in queue for processing. Instead, FHLBank Chicago will follow up with the member directly. Once the member submits a complete and correct application, FHLBank Chicago will place the application in queue for processing.

**7. Is there a member limit?**

Yes, a member may access up to \$110,000 in total grant funding on behalf of their beneficiaries as long as sufficient funds are available. A member maximizing their limit could support 22 homeowners and/or small business beneficiaries.



## **Beneficiaries**

### **8. What types of beneficiaries are eligible for grant funding through the Disaster Relief Program?**

The Disaster Relief Program supports homeowners and small businesses. To be eligible, a homeowner or small business beneficiary must meet the following criteria:

#### Homeowners

- Ownership/Occupancy: The beneficiary must own and occupy a home as their primary residence in the qualifying disaster area.
- Household Income: The beneficiary's annual household income must be at or below 100% of the Area Median Income (AMI) assuming a four-person household using HUD Income Guidelines (see table below).
- Physical Loss: The beneficiary's home must have sustained a physical loss (i.e., structure and/or mechanical systems) of at least \$5,000 resulting from the qualifying disaster.
- Uses of Funds: The beneficiary may only use the grant funds to support the rehabilitation of their primary residence. In situations where the damage is irreparable, funds may be used for the acquisition of a new home.

#### Small Businesses

- Ownership/Occupancy: The beneficiary must own a small business with its primary operations located in the qualifying disaster area.
- Small Business Qualification: The beneficiary's small business must qualify as a small business based on the Small Business Administration (SBA) size standards, stated in number of employees or annual receipts.
- Physical Loss: The beneficiary's small business must have sustained physical loss (i.e., structure, mechanical systems, and/or inventory) of at least \$5,000 resulting from the qualifying disaster.
- Uses of Funds: The beneficiary may only use the grant funds to support the rehabilitation of their small business and/or to replace inventory. In situations where the damage is irreparable, funds may be used for the acquisition of new property for the small business's primary operations.



**9. How do I calculate household income to determine eligibility for the Disaster Relief Program?**

To be eligible for grant funding through the Disaster Relief Program, a homeowner beneficiary must have an annual household income at or below 100% AMI assuming a four-person household. The following table lists 100% AMI for each county located in the qualifying disaster area.

<b>Eligible Household AMI by County</b>			
<b>County</b>	<b>AMI at 100%</b>	<b>County</b>	<b>AMI at 100%</b>
<b>Bond</b>	\$75,400	<b>Livingston</b>	\$74,100
<b>Cass</b>	\$67,900	<b>Logan</b>	\$76,700
<b>Champaign</b>	\$86,400	<b>Macon</b>	\$68,700
<b>Coles</b>	\$67,900	<b>Macoupin</b>	\$68,900
<b>Edgar</b>	\$67,900	<b>Madison</b>	\$84,900
<b>Effingham</b>	\$76,000	<b>Menard</b>	\$85,500
<b>Fayette</b>	\$67,900	<b>Montgomery</b>	\$67,900
<b>Ford</b>	\$86,400	<b>Morgan</b>	\$67,900
<b>Greene</b>	\$67,900	<b>Moultrie</b>	\$71,000
<b>Grundy</b>	\$90,300	<b>Pike</b>	\$67,900
<b>Iroquois</b>	\$68,200	<b>Sangamon</b>	\$85,500
<b>Jackson</b>	\$67,900	<b>Shelby</b>	\$67,900
<b>Jersey</b>	\$84,900	<b>Tazewell</b>	\$76,300
<b>Kankakee</b>	\$74,500	<b>Woodford</b>	\$76,300
<b>Lawrence</b>	\$67,900		

**10. How do I determine whether a small business qualifies based on the SBA size standards?**

To be eligible for grant funding through the Disaster Relief Program, a small business beneficiary must meet the SBA size standard. A size standard, stated in number of employees or annual receipts, represents the largest size that a business (including its subsidiaries and affiliates) may be to remain classified as a small business. To determine the appropriate size standard, and whether a small business meets that definition, please follow the instructions below.

<b>Small Business Qualification Instructions</b>	
<b>Step 1</b>	Navigate to <a href="https://www.sba.gov/document/support--table-size-standards">https://www.sba.gov/document/support--table-size-standards</a>
<b>Step 2</b>	Select the Excel or PDF option towards the bottom of the page.



<b>Step 3</b>	Search for the applicable NAICS code (six-digit code typically found in a tax return).
<b>Step 4</b>	The size standard will be listed in number of employees or annual receipts.
<b>Step 5</b>	The small business qualifies if its number of employees or annual receipts are at or below the size standard listed.

**11. Can members submit applications on behalf of homeowners and small businesses that are not their customers?**

Yes, members can submit applications on behalf of beneficiaries that are not customers of their institution.

**12. Is there a minimum and/or maximum grant amount per beneficiary?**

All grants will be \$5,000. In order to receive a grant, a beneficiary must evidence at least of \$5,000 in damages.

**13. Can a beneficiary receive more than one grant?**

Yes, if an individual applicant meets the criteria of a homeowner beneficiary and a small business beneficiary, they can apply for two grants as long as the home (primary residence) and small business (primary operations) are physically distinct entities located separately. An individual applying for grant funding as both a homeowner and small business should only complete and submit one application.

**14. Can a beneficiary operating a small business out of their home receive more than one grant?**

No, an individual applicant can only receive more than one grant if they are eligible as a homeowner and small business, and both are physically distinct entities located separately. If a beneficiary is operating a small business out of their home, it is up to the applicant and member whether to apply as a homeowner or small business.

**15. Can a member support a beneficiary located outside of the qualifying disaster area?**

No, only beneficiaries with a home or small business located in the qualifying disaster area are eligible for grant funding.



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**16. Can a beneficiary use the grant funding to purchase a new home or small business location?**

Yes, but only if the existing home and/or small business has experienced such extensive damage that the structure is irreparable. If the beneficiary is using grant funds to purchase a new home, that home must be located in Illinois or Wisconsin.

**17. Can a beneficiary with multiple businesses or franchise locations in the qualifying disaster area receive more than one grant?**

In most circumstances, a beneficiary can only receive one small business grant. Members with customers that own multiple businesses or franchise locations in the qualifying disaster area should contact Community Investment at [ci@fhlbc.com](mailto:ci@fhlbc.com). Depending on application volume, FHLBank Chicago will consider funding a single beneficiary's multiple businesses or franchise locations on a case-by-case basis.

**18. Can a beneficiary with a personal vacation property/second home in the qualifying disaster area receive a grant?**

No, a beneficiary can only receive a grant for their primary residence. If a beneficiary operates a small business through a vacation property (e.g., Airbnb, VRBO, etc.), they can apply as a small business.

**19. Can a member provide grant funds to a beneficiary they previously supported through another FHLBank Chicago Community Investment program?**

Yes, members may choose to support beneficiaries that have received funding through other FHLBank Chicago programs, including the COVID-19 Relief Program and Targeted Impact Fund.

## **Application**

**20. What is the application process?**

Members complete and submit applications in partnership with and on behalf of their eligible beneficiaries. A single application should only reflect one applicant, as a homeowner, small business, or both.





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A member can submit up to 22 applications within the open application period as long as sufficient funds are available. The application should be submitted to [ci@fhlbc.com](mailto:ci@fhlbc.com).

**21. I am an individual that meets the homeowner and/or small business eligibility guidelines. How do I find an FHLBank Chicago member institution to submit an application on my behalf?**

A list of FHLBank Chicago member institutions can be found on [fhlbc.com](http://fhlbc.com).

- [Illinois member list](#)
- [Wisconsin member list](#)

**22. Over what period will Disaster Relief Program applications be accepted?**

Applications for the Disaster Relief Program will be accepted between Monday, January 24, 2022 and Thursday, March 31, 2022, as long as sufficient funds are available. We encourage members to allow sufficient time for any internal approvals they may need prior to the March 31 deadline.

**23. Where can I find the Disaster Relief Program application?**

The Disaster Relief Fund application can be found on the [Disaster Relief Program webpage](#) under *Resources*.

**24. Who should complete the application on behalf of the member?**

A duly authorized officer with the full authority to make the certifications required should complete and submit the application. FHLBank Chicago encourages members to coordinate and centralize grant operations across all branches.

**25. Where do I locate my Member Number to include on the application?**

You may locate your five-digit Member Number by accessing our [eBanking system](#); your name and Member Number appears on the upper right part of the eBanking screen pages. If you have any issues finding your Member Number, please contact your Sales Director.

**26. Are members required to identify beneficiaries before submitting the application?**

Yes, members must identify beneficiaries before submitting an



application. Only applications with full beneficiary information will be accepted and processed for funding.

**27. What is FHLBank Chicago doing with the data and beneficiary information?**

FHLBank Chicago is collecting data on the beneficiaries to ensure they align with the program parameters. FHLBank Chicago will not publish beneficiary names or information without consent from the member.

**28. Is there any supporting documentation required?**

The member independently confirms beneficiary eligibility based on program guidelines. FHLBank Chicago will not collect supporting documentation to evidence beneficiary eligibility; however, the member does need to provide the required beneficiary information when submitting an application. Only complete applications will be accepted and processed for funding.

**29. I am a member institution working with homeowners and small business owners to submit applications for grant funding. I know that FHLBank Chicago does not require supporting documentation, but what documentation should I collect to confirm eligibility?**

Examples of eligibility documentation include:

Homeowners

- Ownership: Deed, tax records, mortgage payment book, the insurance policy, etc.
- Occupancy: Driver's license, first-class government mail, recent utility bills, etc.
- Household Income: Pay stubs, direct deposit, etc.
- Physical Loss: Photos of the home, a certification from a qualified inspector, contracts for repair services, insurance documentation itemizing the loss, receipts for any work or installed materials, etc.

Small Businesses

- Ownership: Business license, deed, tax records, mortgage payment book, business insurance policy, etc.
- Occupancy: Business license, first-class government mail, recent utility bills, etc.
- Small Business Qualification: See below.
  - Annual Receipts: Most recent tax return, audited financial



- statements, etc.
- Number of Employees: Payroll reports, state quarterly reporting, etc.
- Physical Loss: Photos of the small business, a certification from a qualified inspector, contracts for repair services, insurance documentation itemizing the loss, receipts for any work or installed materials, etc.

### **30. Should members expect to receive a confirmation of their Disaster Relief Program application?**

Members can expect to receive confirmation via email that their application has been received.

## **Funding**

### **31. How and when will members receive their Disaster Relief Program grants?**

FHLBank Chicago will fund Disaster Relief Program grants every Friday between January 28, 2022 and April 1, 2022, or as long as sufficient funds are available. To be funded on a given Friday, members must submit a Disaster Relief Application by 12:00 p.m. CST on the Thursday before the funding date. Grant funds will be credited to the members' FHLBank Chicago DID account.

- Applications received between January 24 and January 27 by 12:00 p.m. will be funded on January 28.
- Applications received between January 31 and February 3 by 12:00 p.m. will be funded on February 4.
- Applications received between February 7 and February 10 by 12:00 p.m. will be funded on February 11.
- Applications received between February 14 and February 17 by 12:00 p.m. will be funded on February 18.
- Applications received between February 21 and February 24 by 12:00 p.m. will be funded on February 25.
- Applications received between February 28 and March 3 by 12:00 p.m. will be funded on March 4.
- Applications received between March 7 and March 10 by 12:00 p.m. will be funded on March 11.
- Applications received between March 14 and March 17 by 12:00 p.m. will be funded on March 18.
- Applications received between March 21 and March 24 by 12:00 p.m. will be funded on March 25.



- Applications received between March 28 and March 31 by 12:00 p.m. will be funded on April 1.

**32. Should members expect to receive a confirmation when grant funds are deposited in their DID account?**

Yes. Members can expect to receive a funding confirmation email the day grant funds are deposited in their DID account.

**33. Who is responsible for funding the beneficiaries?**

Members are responsible for funding their selected beneficiaries. FHLBank Chicago will not fund beneficiaries. Members can fund beneficiaries through direct deposit, check, or another form of payment. To disburse grant funds to a small business, FHLBank Chicago recommends funding the small business rather than the individual applicant/small business owner.

**34. Do members need to fund their beneficiaries prior to submitting an application for the Disaster Relief Program?**

FHLBank Chicago encourages members to fund their beneficiaries after receiving the DID credit. FHLBank Chicago does not require evidence of payment to the beneficiary.

**35. When do members need to deploy the grant funds to beneficiaries?**

Ideally, members fund their beneficiaries within 30 days of receipt, but FHLBank Chicago understands that a different timeline may better meet the needs members are addressing in their communities.

## **Miscellaneous**

**36. Does the Disaster Relief Program include any post-award compliance requirements for the member or beneficiaries?**

No, there are no post-award compliance requirements associated with the Disaster Relief Program. Members are not required to evidence payment to their beneficiaries and beneficiaries are not required to evidence use of funds.

**37. Will FHLBank Chicago provide a 1099 form to beneficiaries?**



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No, FHLBank Chicago will not provide a 1099 form to grant recipients. Members and their beneficiaries are responsible for determining the tax implications of receiving a Disaster Relief Program grant.

**38. My FHLBank Chicago member institution is in the process of a merger or acquisition. Am I able to participate in the Disaster Relief Program? What about the other institution?**

Yes, as long as the grant funds are received before the merger. The other institution, whether it is the surviving institution or not, can also request funds as long as they are also a member of FHLBank Chicago and their funds are received before the merger.

**39. Who do I contact with questions?**

Questions can be directed to your Sales Director or Community Investment at [ci@fhlbc.com](mailto:ci@fhlbc.com).