

Purpose

To provide members with favorably priced advances and letters of credit (LCs) for financing eligible owner-occupied and rental housing in their communities. Eligible advances and LCs are priced below Federal Home Loan Bank of Chicago's (FHLBC) standard advance and LC rates.

Program Requirements and Guidelines

- Loans/LCs must be for eligible housing projects (see chart below).
- Underlying loans must be originated within 3 months prior to receiving the Community Advance.
- If a loan is participated out to another institution, the amount of the loan retained by the member applicant is eligible for the discounted rate.
- The term of advance from the FHLBC should not exceed the term of loan to the member's customer. The maximum advance term is 10 years (longer maturities available). Please refer to the Member Products Guide for LC product terms.
- Separate applications must be completed for economic development projects (Community Development Advance). Applicants wishing to borrow for a mixed-use project with residential and non-residential components should complete a Community Development Advance application.
- Member limits may apply to amount and maturities of outstanding Community Advances.

Conditions of Advance

- Allow a minimum of 24 to 48 hours processing time for application approval.
- Same advance types, collateral requirements, and prepayment fees as standard advances.
- Members may take multiple Community Advances up to the total amount of credit approved.
- Members may choose to utilize only a portion of the approved application amount.
- The approved amount of Community Advance credit will be impacted by the date the advance is drawn. Approved amounts may be reduced if previously originated loans were originated more than 3 months prior to receiving the Community Advance.

Eligible Housing Projects

Beneficiary Type	Project Requirements	Documentation Requirements
Individual Owner-Occupied Housing (One to Four Family)	Household income of homebuyers / homeowners must be at or below 115% of the area median income adjusted for a 4-person household, based on HUD income guidelines posted on the FHLBC's website.	Complete the Homeownership Worksheet included with the application.
Rental Housing	At least 51% of the units in the project occupied by, or rents are affordable to, families with incomes at or below 115% of the area median income adjusted for a 4-person household, based on HUD income guidelines posted on the Bank's website.	Complete the Worksheet for Rental Properties and Manufactured Housing Parks included with the application. Complete the Rent Eligibility schedule on the same worksheet. The member may submit current rent/income information for tenants or copy of deed restriction limiting tenant incomes.
Manufactured Housing Parks	(1) At least 51% of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below 115% of the area median income adjusted for a 4-person household; or (2) the project is located in a census tract with a median income at or below 115% of the median income for the county.	If condition (1) is met, complete the Worksheet for Rental Properties and Manufactured Housing Parks included with the application. If condition (2) is met, provide project location and census tract information in the project description on page 3 of the application.



APPLICATION FOR COMMUNITY HOUSING ADVANCE CREDIT

1. General Information

Member Name: _____ Member Number: _____
 Contact Person: _____ Title: _____
 Telephone Number: _____ Extension: _____
 Email Address: _____

2. Credit Information

Advance

Credit Type (Please check one)

Advance – Project Specific or Loans to be Originated Advance – Portfolio Funding (Previous 3 Months)

Amount of Credit: _____

Term of Advance^(a): _____

Funding Date of Advance^(b): _____

Letters of Credit

Credit Type (Please check one)

Letter of Credit – Credit Enhancement for Bonds Letter of Credit – Performance Guaranty

Amount of LC: _____

LC Term: _____

Effective Date: _____

3. Project Information

Purpose of Financing (Check the appropriate box or boxes)

New Construction Acquisition/Purchase Refinance Rehabilitation

Other (Specify): _____

Is the project located in a rural area? Rural area is defined as either (a) a unit of general local government with a population of 25,000 or less; (b) an unincorporated area outside a Metropolitan Statistical Area (MSA); or (c) an unincorporated area outside an MSA that qualifies for housing assistance from the United States Department of Agriculture.

Yes No

4. Portfolio Funding: One-to-four family owner-occupied project

Submit either the attached Homeownership Worksheet or member-provided documentation that includes all requested data fields.

Number of Owner-Occupied Units: _____

Income Target of Homeowners (indicate the number of units in each category)

Up to 50% AMI: _____ 51–60% AMI: _____ 61–80% AMI: _____ 81–115% AMI: _____

(a) Term of advance from FHLBC should not exceed term(s) of underlying loan(s).

(b) Previously originated loans must have been closed no more than 3 months prior to receiving the Community Advance.



APPLICATION FOR COMMUNITY HOUSING ADVANCE CREDIT

5. Rental properties or manufactured housing parks

Submit either the attached Worksheet for Rental Properties and Manufactured Housing Parks; a rent roll or detailed unit mix reflecting rental rates; or documentation that ensures that rents will be restricted to income-eligible tenants.

Is the project a manufactured housing park? Yes No

Provide a brief description of the project:

Number of Rental Units: _____ Total Project Cost: _____

Income Target of Rental Tenants (indicate the number of units in each category)

Up to 50% AMI: _____ 51-60% AMI: _____ 61-80% AMI: _____ 81-115% AMI: _____ > 115%: _____

6. Authorized Signature

The undersigned duly authorized officer, acting with full authority to make the certifications below on behalf of the member, hereby certifies that:

- (1) The member will comply with the provisions of the Community Investment Cash Advance Program pursuant to Section 1430 of the Federal Home Loan Bank Act, regulations of the Federal Housing Finance Agency (12 CFR Part 1292), and guidelines and requirements of the FHLBC.
- (2) Equity proceeds of the refinancing of rental housing and manufactured housing parks were/will be used to rehabilitate the project or to preserve affordability for the current residents.

Authorized Signature

Officer Name (please print)

Officer Title

Date

Email the completed application, worksheet, and required documentation to:
Community Investment Group
Email: CICA@fhlbc.com

Questions? Contact Community Investment at 312-565-5824

Allow a minimum of 24 to 48 hours processing time for application approval.



APPLICATION FOR COMMUNITY HOUSING ADVANCE CREDIT

Worksheet for Rental Properties and Manufactured Housing Parks^(f)

Loan # (if applicable)	Address	City	County	State	Zip Code	Number of Units	Loan/LC Amount	Loan/LC Date ^(g)	Loan/LC Term	Refinance Y/N

Total Loan/LC Amount: _____

Please complete the above grid for each property, and attach either Item 1 or 2 below, AND complete Item 3, the Rent Eligibility Schedule.

1. Copy of the deed restriction that ensures that units will be restricted to income-eligible tenants.
2. A rent roll or Rent Eligibility Schedule reflecting unit mix reflecting actual rental rates.

Rent Eligibility Schedule

A	B	C	D	E	F
Number of Bedrooms Per Unit	Number of Units	115% Area Median Income (AMI) Assuming 4-Person Household Size	Monthly Income = 115% AMI Divided by 12 (C/12)	Monthly Rent/Unit	Affordability Ratio(h) = Monthly Rent Divided by Monthly Income (E/D)
Total Units					

(f) Equity proceeds of the refinancing of rental housing and manufactured housing parks must be used to rehabilitate the project or preserve affordability for current residents.

(g) Previously originated loans must have been closed no more than 3 months prior to receiving the Community Advance.

(h) Rents are defined as affordable for households at or below 115% Area Median Income (AMI) if the Affordability Ratio (Column F) is less than 30%.