



FHLBank
Chicago

**Frequently Asked Questions:
2022 COVID-19 Recovery Advance
Available May 2 - 27, 2022**

Overview

1. What is the 2022 COVID-19 Recovery Advance?

We are pleased to announce that the Board of Directors of the Federal Home Loan Bank of Chicago (FHLBank Chicago) has approved a new advance opportunity that supports members as they recover from the pandemic. This new advance program offers significantly-**below-market rate advances** (2022 COVID-19 Recovery Advance) for a one-year term under the A121 Fixed Rate, Fixed Term advance product. The 2022 COVID-19 Recovery Advance is available to all of our member and associate member institutions. The 2022 COVID-19 Recovery Advance opens on Monday, May 2, with funds available weekly through Friday, May 27.

2. Is the 2022 COVID-19 Recovery Advance first-come, first-served?

Applications will be processed on a first-come, first-served basis, but the amount of funds allocated for the 2022 COVID-19 Recovery Advance will allow all members and associate members to make a one-time advance request for up to \$5 million. Funds are subject to all collateral and advance eligibility requirements.

3. How will I know the significantly-below-market-fixed-rate?

Eligible member and associate member institutions will receive an email from "Relief Advance" (reliefadvance@fhlbc.com) each Monday morning (May 2, 9, 16, 23) by 9 a.m. CT. The email indicates the discounted fixed-rate advance available for that specific week only. Once the email has been sent, requests for the advance at the significantly-below-market-fixed-rate can be made immediately and throughout the week until Friday at 1 p.m. CT. See questions seven - nine for additional details on eligibility and how to receive the weekly advance rate.

4. Previous COVID-19 Recovery Advances have been zero-rate. What changed this year?

In the current interest rate environment, we are able to offer a discounted fixed-rate advance that is significantly below the current market rate.

5. Can I adjust the term of the advance to be shorter or longer than one year?

No; the 2022 COVID-19 Recovery Advance has a one-year maturity based on the settlement date.

6. Are there limits on how much a member can borrow under the 2022 COVID-19 Recovery Advance?

The maximum 2022 COVID-19 Recovery Advance amount per member is \$5 million, but members may choose to borrow less than \$5 million. Members may only execute one advance (i.e., members cannot execute multiple advances that sum up to \$5 million).

Request Process and Application

7. Can all FHLBank Chicago members request the 2022 COVID-19 Recovery Advance?

All FHLBank Chicago members and associate members are eligible for the 2022 COVID-

19 Recovery Advance; however, members must meet all applicable standard collateral, credit, capital stock, and other eligibility requirements on the settlement date.

8. When can advance requests occur?

Eligible member and associate member institutions will receive an email from “Relief Advance” (reliefadvance@fhlbc.com) each Monday morning by 9 a.m. CT. This email will contain the significantly-below-market-fixed-rate effective for that week until Friday at 1 p.m. CT, with a link to apply for the advance. The following summarizes the schedule of fixed-rate announcement, application deadline, and advance settlement (all times in CT):

Weekly fixed-rate email sent by 9 a.m. by FHLBank Chicago*	Application submitted by eligible institution to receive fixed-rate	2022 COVID-19 Recovery Advance settlement date
Week 1: Monday, May 2	Friday, May 6 (1 p.m.)	Monday, May 9
Week 2: Monday, May 9	Friday, May 13 (1 p.m.)	Monday, May 16
Week 3: Monday, May 16	Friday, May 20 (1 p.m.)	Monday, May 23
Week 4: Monday, May 23	Friday, May 27 (1 p.m.)	Tuesday, May 31

*Once an advance has settled, institutions will no longer receive the weekly rate-email in future weeks

9. Will I continue to receive a discounted fixed-rate weekly email after my institution has funded a 2022 COVID-19 Recovery Advance?

No, once an eligible member and associate member institution has submitted an application and the request has been funded, that institution is no longer considered eligible to apply for additional 2022 COVID-19 Recovery Advances.

10. What is the application process?

Any individual with Advance Transact Authorization can complete a 2022 COVID-19 Recovery Advance application on behalf of one’s institution. 2022 COVID-19 Recovery Advance applications will be processed on a first-come, first-served basis. Please refer to question eight above for the weekly advance schedule and how to apply. Applications submitted after 1 p.m. CT on Friday (May 6, 13, and 20) will be funded with the significantly-below-market-fixed-rate announced the following week. Once an application has been processed, FHLBank Chicago reserves the right to charge a cancellation fee if the member decides to withdraw the request before the advance settles.

11. Where can I find the 2022 COVID-19 Recovery Advance application?

The 2022 COVID-19 Recovery Advance application can be found on the [COVID-19 Resource Center](#), and a link will be included in the discounted fixed-rate weekly advance email sent to eligible member and associate members.

12. Should members expect to receive a confirmation of their 2022 COVID-19 Recovery Advance request?

You will receive an advance confirmation via email after submitting the application. You will receive an additional advance confirmation via email when the advance is funded on Mondays (May 9, 16, 23) and for the final week on Tuesday due to Memorial Day (May 31). If you have further questions regarding the process, please email recoveryadvance@fhlbc.com.

Common Application Questions

13. How will the 2022 COVID-19 Recovery Advance be capitalized?

All COVID-19 Recovery Advances will be capitalized at 2% under the Reduced Capitalization Advance Program (RCAP).

14. Where do I locate my member number to include on the application for the 2022 COVID-19 Recovery Advance?

You may locate your member number by accessing our [eBanking system](#); your member 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.

15. I'm not an individual with Advance Transact Authorization for my member institution. Can I still submit an application for the 2022 COVID-19 Recovery Advance?

Only individuals with Advance Transact Authorization may submit the application.

16. My member institution has multiple individuals with Advance Transact Authorization. Who should submit the application?

Only one individual with Advance Transact Authorization should submit the application on behalf of the member institution. Before submitting the application, make sure that the advance requested amount is accurate for the needs of your member institution and that all authorized users have agreed as only one advance may be transacted per member institution (i.e. members cannot execute multiple advances that equal up to \$5 million).

17. Is there any supporting documentation required?

No; additional supporting documentation is not required. Only the 2022 COVID-19 Recovery Advance application is required to request a 2022 COVID-19 Recovery Advance.

18. When will members receive their 2022 COVID-19 Recovery Advance funds?

Members will receive a Notification of Commitment for Forward-Starting Advance once the application has been processed that will indicate the Funding Date.

19. Does the 2022 COVID-19 Recovery Advance include additional compliance requirements for the members?

No; there are no additional compliance requirements associated with the 2022 COVID-19 Recovery Advance. The 2022 COVID-19 Recovery Advance is not tied to a member's lending activity (as Community Advances are).

20. Are there any prepayment penalties if I decide to prepay the 2022 COVID-19 Recovery Advance?

Yes; unlike prior COVID-19 advance programs, this advance is pre-payable partially or in full at any time at par plus accrued interest and a prepayment fee, if any, calculated in accordance with the prepayment policy in effect at the time the advance is prepaid.

21. There was not a prepayment fee for prior COVID-19 Relief advances. What changed?

The prior COVID-19 Relief Advances were offered to members and associate members at zero-rate. The 2022 COVID-19 Recovery Advance is a significantly-below-market-fixed-rate, and as a result there may be a prepayment fee when factoring in market changes and accrued interest.

Other

22. My institution has an existing zero-rate COVID-19 Relief Advance. Do I have the option to prepay this zero-rate advance before applying for the 2022 COVID-19 Recovery Advance?

Yes, and the prepayment option for the existing zero-rate advance is independent of applying for a 2022 COVID-19 Recovery Advance. The existing advance can be prepaid without a prepayment penalty. If you wish to prepay your existing COVID-19 Recovery Advance, call your Sales Director or email mtd@fhlbc.com to indicate your interest in prepayment.

23. Can I avoid exchanging wires for the maturity of the old advance and the settlement of the 2022 COVID-19 Recovery Advance?

Yes, as long as the eligible member or associate member institution applies for the 2022 COVID-19 Recovery Advance to coincide with the maturity of the 2021 COVID-19 Relief Advance. See below for a summary schedule:

My 2021 COVID-19 Relief Advance matures	My application for the 2022 COVID-19 Recovery Advance should be submitted by the following date and time to ensure no disruption in funding	My 2022 COVID-19 Recovery Advance will settle
Monday, May 9	Friday, May 6 (1 p.m.)	Monday, May 9
Monday, May 16	Friday, May 13 (1 p.m.)	Monday, May 16
Monday, May 23	Friday, May 20 (1 p.m.)	Monday, May 23
Tuesday, May 31	Friday, May 27 (1 p.m.)	Tuesday, May 31

24. My institution is in the process of a merger or acquisition. Am I able to participate in the 2022 COVID-19 Recovery Advance? What about the other institution involved in the merger?

Yes; as long as the advance is funded before the merger for the merging institution. The surviving institution can also request funds pre- or post-merger as long as they are also a member of FHLBank Chicago and only request a 2022 COVID Recovery Advance once for their institution. Refer to question six above.

25. Who do I contact if I have additional questions?

Questions can be directed to your Sales Director.