



**FHLBank**  
Chicago

# 2025 Impact Report

INVESTING IN OPPORTUNITIES

# Table of Contents

<b>1</b>	<b>Letter from our CEO</b>	<b>3</b>
<b>2</b>	<b>Letter from our Community Investment Advisory Council</b>	<b>4</b>
<b>3</b>	<b>2025 Impact at a Glance</b>	<b>5</b>
<b>4</b>	<b>About FHLBank Chicago</b>	<b>6</b>
<b>5</b>	<b>Providing Liquidity and Reliable Funding</b>	<b>8</b>
<b>6</b>	<b>Investing in Communities</b>	<b>13</b>
<b>7</b>	<b>Cultivating a High-Performing and Engaged Workforce</b>	<b>23</b>
<b>8</b>	<b>Strong Risk Management and Governance</b>	<b>29</b>



*Published April 28, 2026. Unless otherwise indicated, the data and activities presented in this report are as of, or for, the year ending December 31, 2025.*

# Letter from our CEO

Every day, I am reminded of the profound difference our work makes in the lives of families, small business owners, and entire communities across Illinois and Wisconsin. In 2025, that impact grew even stronger as FHLBank Chicago continued to partner with our members to expand opportunity and build lasting stability for the people they serve.

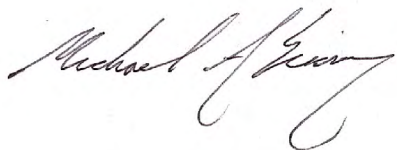
This year brought both challenges and tremendous progress. Housing affordability remains a pressing concern throughout our district, and our members continue to navigate a dynamic economic environment. Through it all, FHLBank Chicago remained a trusted partner, providing the liquidity, funding, and community investment resources our members need to make a meaningful difference in their communities.

The numbers tell a compelling story. We welcomed eight new members to FHLBank Chicago and 28 financial institution participants to our national Mortgage Partnership Finance® (MPF®) Program. We supported the creation or preservation of over 14,700 jobs and over 14,800 housing units by funding \$3.3 billion in discounted Community Advances. We also awarded or disbursed \$106 million in community investment grants, aiding affordable housing for more than 1,600 individuals or families and providing downpayment assistance to over 4,500 homebuyers.

Behind every statistic is a tangible outcome—a family receiving the keys to their first home, a small business owner expanding to serve more customers, or a developer breaking ground on housing that will transform a neighborhood. These are the stories that drive our mission forward.

As I reflect on what we accomplished together this year, I am grateful for the partnership with our members, the expertise of our employees, and the guidance of our Board of Directors and Community Investment Advisory Council. Their collective commitment enables us to fulfill our mission and deliver on our promise to strengthen communities and expand access to quality, affordable housing.

Looking ahead, FHLBank Chicago remains focused on partnering with our members and investing in opportunities that create lasting impact. We will continue to innovate, collaborate, and champion our members and the communities we are privileged to serve.



**Michael A. Ericson**  
President and  
Chief Executive Officer

## Mission, Vision and Values

### Our Mission

To partner with our members in Illinois and Wisconsin to provide them competitively priced funding, a reasonable return on their investment in the Bank, and support for their community investment activities.

### Our Vision

As a reliable source of liquidity and funding, we strengthen our district's members and empower them to enhance access to quality, affordable housing. We impact every community. We aspire to ensure everyone in our district has access to quality, affordable housing by 2035.

### Our Values



**Bold**



**Committed**



**Connected**



**Trusted**

# Letter from our Community Investment Advisory Council

2025 highlighted the critical importance of FHLBank Chicago's community investment vision. The shortage of housing, coupled with rising housing costs, made national and local headlines, and the urgency of these heightened needs created new opportunities for FHLBank Chicago and its members to deliver meaningful impact throughout the district. In response, FHLBank Chicago strengthened its leadership in affordable housing and community development—evidenced by enhancements and targeted funding for grant and lending programs, a heightened role as a convener of industry partners and expanded thought leadership across the housing and development sectors. These efforts enabled FHLBank Chicago to better serve its members and their communities.

FHLBank Chicago's Community Investment Advisory Council plays an important role in informing and shaping this work. Our council brings together leaders from across the housing and community development ecosystem, meeting quarterly to share expertise, identify emerging needs, and provide strategic guidance. Through close collaboration with FHLBank Chicago leaders and the Board of Directors, we ensure that community investment programs and initiatives are aligned with real-world challenges and opportunities—amplifying their impact where it matters most.

That impact was clear in 2025. FHLBank Chicago awarded or disbursed more than \$106 million in grant funding to support community investment in members' communities and leveraged \$21 million in subsidy to enable over \$3.3 billion in discounted Community Advances. These milestones were complemented by increased engagement with member financial institutions, community partners, and program users—ensuring that resources and opportunities reached communities across the district.

In addition, FHLBank Chicago undertook several unique initiatives in 2025 to expand its impact:

- Launched a refreshed Community Advance product with subsidized rates to support members' housing and community development lending;
- Renewed and enhanced the Community First® Developer Program and the Community First Housing Counseling Resource Program to build capacity for housing development and homeownership; and
- Partnered with the Urban Institute on research and convenings to deepen understanding of district housing dynamics and advance collaborative problem-solving to increase housing supply.

Together, these initiatives demonstrate FHLBank Chicago's commitment to housing leadership—not only as a funder, but as a catalyst for ideas and partnerships that drive lasting change.

As the Advisory Council looks ahead to 2026, we are energized by the opportunities before us.

Together—with FHLBank Chicago, its members, and its partners—we will continue to inform programming and champion solutions that create thriving communities. We look forward to building on 2025's momentum to make 2026 a year of bold progress to address housing issues.



**David Porterfield**

Chair, Community Development  
Consultant – Affordable Housing,  
Hope Community Capital



**David Doig**

Vice Chair, President,  
Chicago Neighborhood Initiatives

# 2025 Impact at a Glance

## Liquidity and Housing Products Supporting Our Mission and Communities

**\$61.1B**

in **advances** outstanding

**\$12.9B**

in **letters of credit** commitments outstanding



### SUPPORTING OUR HOUSING MISSION



### MORTGAGE LOANS OUTSTANDING

**\$21.9B**

for FHLBank Chicago

**\$76.8B**

nationwide



## Membership

**637**

member institutions



**8**

new members welcomed

**89%**

utilized our products and programs

## Empowering our People

**11,800+**

hours dedicated to volunteering by employees

Embarked on **multi-year Skill Development Journey**



### INVESTING IN COMMUNITIES

**\$52M** **Affordable Housing Program (AHP) General Fund**  
Assisted over **1,600** households with their housing needs

**\$43M** **Downpayment Plus® Programs (DPP®)**  
Provided over **4,500** homebuyers with downpayment assistance

**\$11M** **Community First® Grant Programs**  
Funded **28** organizations, supporting **114** fellowships or internships for developers  
Supported **44** housing counseling agencies with expanded resources

**\$3.3B**

funded in discounted community lending through our **Community Advance** to support housing and economic development activities

**14,800+**

households supported

**14,700+**

jobs created or retained

# About FHLBank Chicago

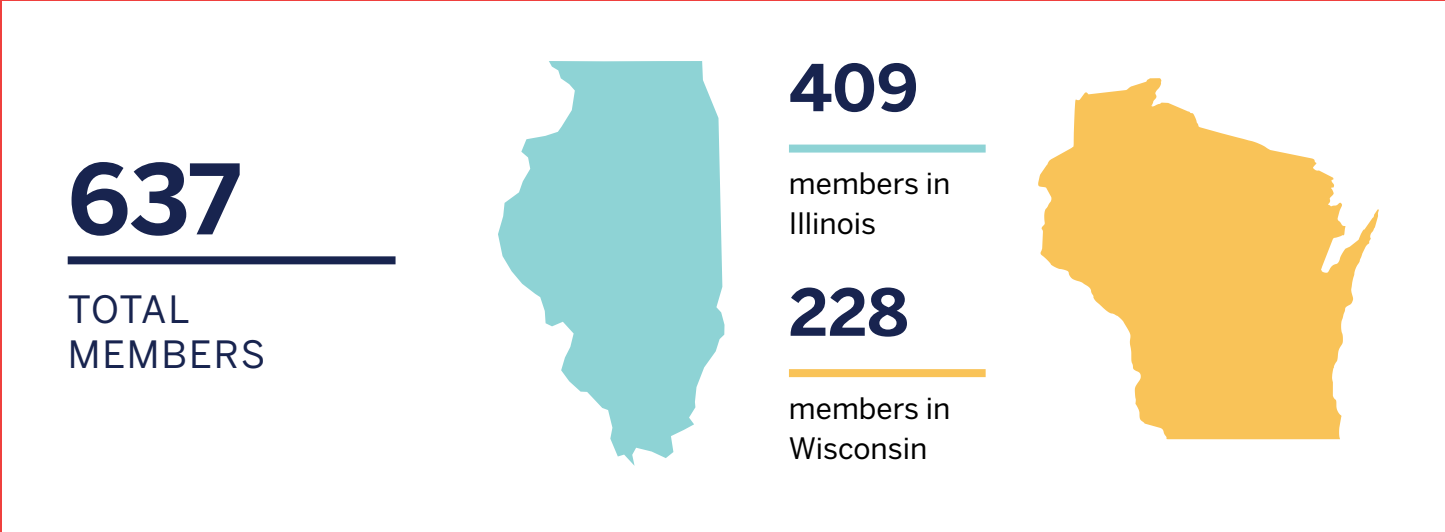
FHLBank Chicago is a government-sponsored enterprise and one of 11 Federal Home Loan Banks (FHLBanks) that, along with the Office of Finance, comprise the Federal Home Loan Bank System. FHLBanks were established in 1932, and today provide reliable, short-term liquidity and long-term funding to support housing finance and community investment to nearly 6,400 financial institutions across the United States. Each FHLBank operates as an independent private entity with its own management, employees and Board of Directors. FHLBanks are supervised and regulated by the Federal Housing Finance Agency (FHFA), an independent federal agency in the executive branch of the U.S. government.

## Our members are located in Illinois and Wisconsin

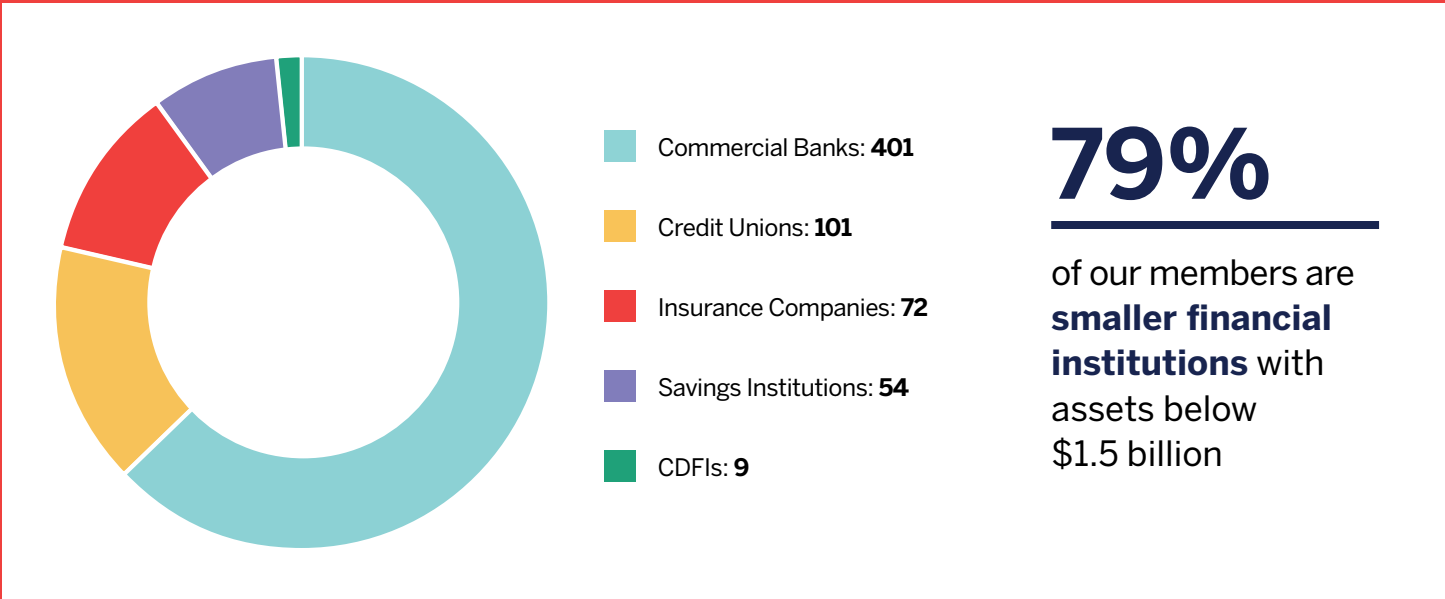
Each FHLBank is a privately capitalized, member-owned cooperative with members from a defined geographic district. Our district consists of the states of Illinois and Wisconsin, and our membership is comprised of commercial banks, credit unions, insurance companies, savings institutions and community development financial institutions (CDFIs).

We do business with our members by providing liquidity and funding in the form of advances (secured loans) and letters of credit, and through member participation in our Mortgage Partnership Finance (MPF) Program. We also operate our MPF Program in support of other FHLBank members across the country. Delivering on our liquidity mission drives our ability to invest in our members' communities by providing grants, discounted advances and other products and programs that support affordable housing and community development.

## Membership by State



## Membership by Type



### We are a private, self-capitalizing cooperative

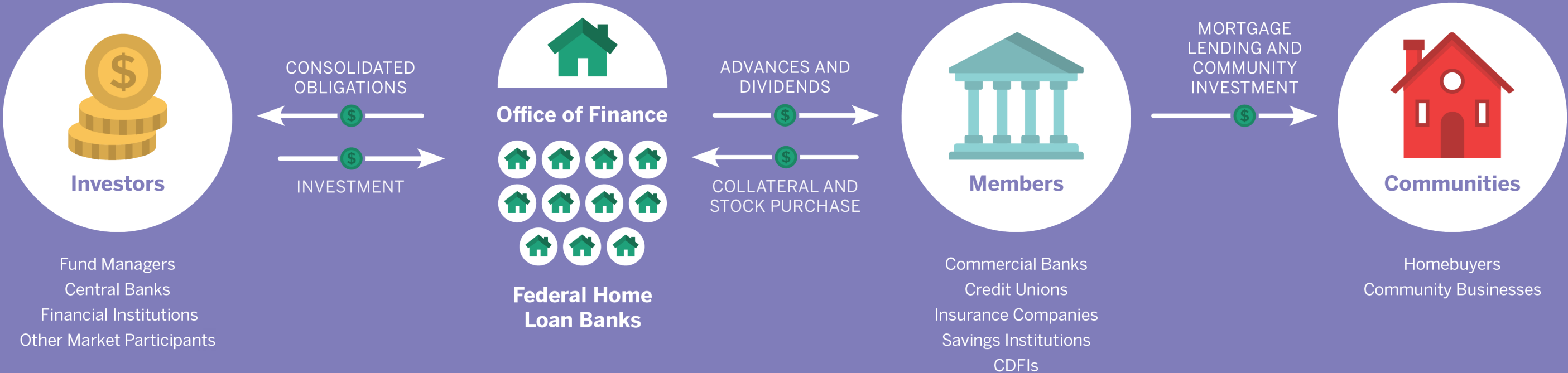
All FHLBank Chicago members are required to purchase our membership stock as a condition of membership and purchase our activity stock in proportion to any advances or letters of credit issued, as well as MPF Program loans sold to us for our balance sheet.

Our primary source of funds for our activities—including member lending, our MPF Program and other balance sheet needs—comes through the sale of FHLBank bonds and discount notes. Collectively known as consolidated obligations, these debt instruments are sold in the capital

markets through the Office of Finance, which acts as the FHLBank System’s fiscal agent. Our self-capitalizing cooperative structure has joint and several liability for consolidated obligations across the FHLBank System. The FHLBank business structure has historically helped us generate positive financial returns to support our affordable housing and community investment programs. FHLBank consolidated obligations are backed only by the financial resources of the FHLBanks, individually and collectively, and are not guaranteed by the U.S. government.

The funds we raise through the sale of our highly rated FHLBank consolidated obligations typically carry a lower interest rate than FHLBank members could obtain on their own through other wholesale funding channels. As a cooperative, we pass on the benefit of these lower market rates to our members, enabling our members to provide more loans at a lower cost to homebuyers and businesses in their communities.

### FHLBank Business Structure



# Providing Liquidity and Reliable Funding

## Creating opportunity and confidence for lenders across all cycles

FHLBank Chicago provides our members with the funding they seek to help build businesses, generate jobs, support homeownership, and enhance their viability and stability as engines of community advancement. Our financial products help our members manage their balance sheets with short-term liquidity and long-term funding, support housing and community development, and make borrowing easier and more affordable.

Members' access to short-term liquidity and long-term funding is secured by pledged collateral—typically residential mortgage loans, U.S. government and agency-backed securities, commercial real estate, and Community Financial Institution assets such as small business and community development loans.

We aspire to be trusted business partners to our members, and we are committed to their success. Through conferences,

webinars, and training, we help members leverage our liquidity and funding for their benefit and the benefit of their communities.

In 2025, for example, we provided members with tailored advance modeling, one-on-one strategy sessions, and educational resources—including white papers on funding strategies and product overviews to help members engage with us. Serving as a trusted advisor, we also provide funding solutions, modeling, and analytical tools to assist with asset-liability management.

Through the MPF Program, members can access live and on-demand webinars offering operational training, policy updates, and mortgage-market insights—covering program changes, industry trends, underwriting, servicing, and quality control. Members also benefit from MPF University, a free on-demand learning platform developed with the Mortgage Bankers Association (MBA), which includes coursework and opportunities to earn industry certifications.

Our employees further extend this commitment by speaking at trade association and industry events on topics such as macroeconomics, affordable housing, community development, mortgage finance, risk management, and operational excellence.

## Expanding Access with VantageScore®

Our partnership with VantageScore is one way we continue to expand access to liquidity and funding—enabling members to pledge mortgage collateral using VantageScore credit scores alongside traditional FICO models. This approach incorporates rental payment history, and other consumer credit data often excluded from conventional scoring, helping bridge the homeownership gap for creditworthy borrowers who might otherwise be overlooked.



Carolyn Jaw, EVP, Chief Business Officer, and Group Head, Member and Community Solutions, with Hammad Pirzada, Treasurer and Managing Director of CIBC Bank USA, at the 2025 Member Meeting in Rosemont, Ill.

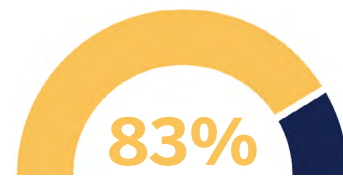
**Providing Liquidity and Reliable Funding**

**Advances**

The primary way we provide liquidity and funding to our members is through secured loans, known as advances. Our members use advances, such as fixed-rate or variable-rate advances and other specialty advance products, to support their funding needs while optimizing liquidity to fund lending in their communities.

**\$61.1B**

in advances outstanding



of our members used our advance products

**New Community Advance**

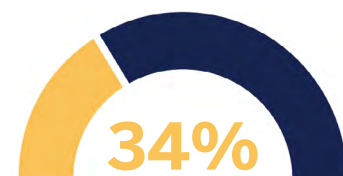
In 2025, we redesigned our three Community Advance products into a single new product enhancing financing and activity eligibility, while offering competitive pricing to support member lending initiatives that incentivize housing and economic development activities. Learn more on page 18.

**Letters of Credit**

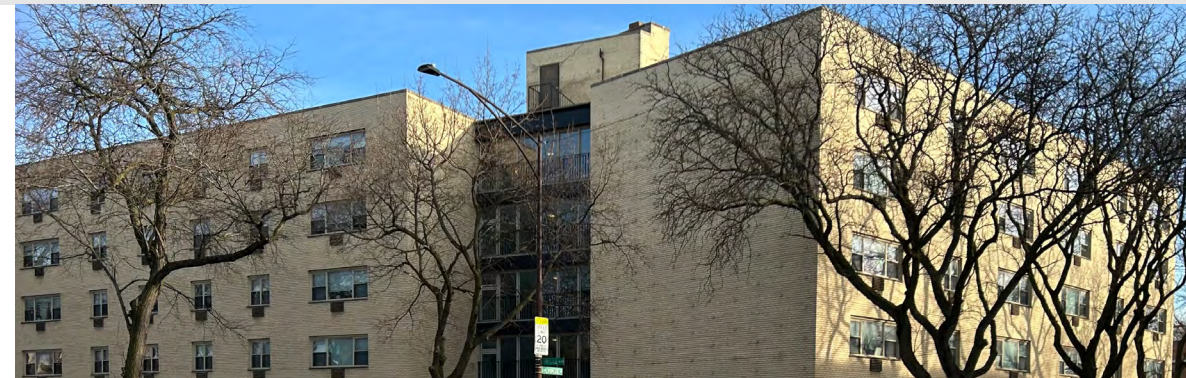
Our letters of credit enable members to leverage our high-grade credit ratings at a competitive price to support liquidity, asset-liability management, and to facilitate residential housing finance and community lending activities. Letters of credit are issued to guarantee payment or performance on behalf of our members to third parties. They are most used as an attractive alternative to pledging securities for public unit deposits, providing state and local governments with peace of mind that their deposits are protected beyond the maximum FDIC-insured amount.

**\$12.9B**

in letters of credit commitments outstanding



of our members used letters of credit



A 56-unit apartment building in Chicago's Rogers Park neighborhood was rehabilitated with financing supported by FHLBank Chicago's Letters of Credit, preserving stable rents and strengthening long-term housing quality for residents.

**Letters of Credit Enable Housing Investments in Underserved Communities**

Albank in Chicago has served low- and moderate-income neighborhoods since 1953, and through FHLBank Chicago's letters of credit, has expanded its capacity to finance housing and economic development. By securing municipal deposits, letters of credit have helped Albank to grow deposit relationships and lending capacity—making it possible to fund projects that might otherwise be difficult to finance.

In 2025, Albank refinanced the rehabilitation of a 56-unit apartment building in Chicago's Rogers Park neighborhood, owned by 7301 N. Ridge LLC and managed by Hunter Properties, Inc. Ownership invested over \$700,000 in major systems improvements, including a new boiler, windows, new electrical service, masonry work, updated apartments, and parking lot renovations. The project maintained income-qualified rents, allowing the building to qualify for the Cook County Assessor's Office's Housing Special Assessment Program—which provides a property tax reduction for buildings that invest in major improvements.

"We take great satisfaction in providing quality naturally occurring affordable housing," said David Rees, Manager of 7301 N. Ridge LLC, the developer. "This project allowed us to preserve affordable housing for the neighborhood while making much needed improvements and ensuring long-term viability."

For Albank, letters of credit have become integral to their business model. "They're simple and expand the types of investments we can make in low- and moderate-income communities," said Adam Steinback, Albank President. "By securing municipal deposits, we can do more lending in the communities that need it most—supporting housing projects and local economic growth."

Through its partnership with FHLBank Chicago, Albank continues to use letters of credit to strengthen municipalities, including the City of Chicago, to deliver meaningful impact across the communities it serves.



We developed the MPF Program in 1997 to provide an additional source of liquidity to our members and to allow us to invest in mortgages to help fulfill our mission. The MPF Program is a secondary mortgage market business under which we purchase fixed-rate residential mortgage loans from our members, as well as FHLBank members across the United States that are approved participating financial institutions. FHLBank Chicago administers the MPF Program for six active participating FHLBanks—Boston, Chicago, Dallas, Des Moines, Pittsburgh and Topeka.

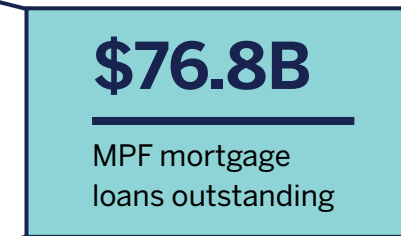
Minimum loan delivery volume requirements and adverse pricing adjustments can be roadblocks for smaller institutions to access the secondary mortgage market. The MPF Program is unique in that it incentivizes sustainable homeownership by paying members to share in the risk of default while relieving them of the interest rate risk on those loans. Members can continue to service most loans sold and preserve their customer relationships.

## MPF Program Impact on Housing Finance

FHLBANK CHICAGO



NATIONWIDE



FHLBANK CHICAGO

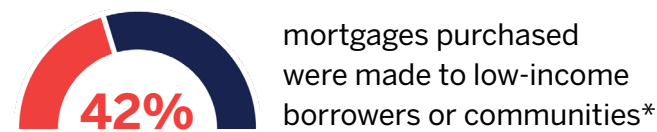


NATIONWIDE



FHLBANK CHICAGO

**12,600+** loans purchased totaling **\$3.2B**

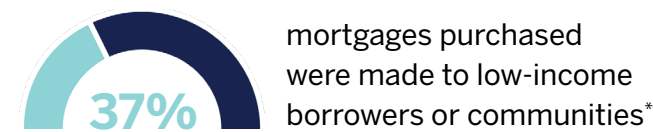


*\*Mortgages purchased for investment or securitized through our MPF products*



NATIONWIDE

**41,200+** loans purchased totaling **\$12.4B**



**73%** small community lenders with assets < \$1.5B

**\$1.1B** credit enhancement income paid to over 1,500 members to date

MPF UNIVERSITY

**Complimentary courses available through the Mortgage Bankers Association certifications**

- Certified Residential Underwriter
- Residential Certified Mortgage Servicer
- Certified Mortgage Compliance Professional
- Residential Loan Processor



## MPF Program in Action

### Helping Military Families Achieve Homeownership

When Tracey Eddy joined Citizens First Bank’s mortgage lending team, her son was deployed to Iraq. His two tours gave her a deep appreciation for the sacrifices service members and their families make. With a branch in Sparta, Wis., near Fort McCoy, Tracey prioritized becoming an expert in Department of Veterans Affairs (VA) loan programs.

As a FHLBank Chicago member, Citizens First uses the MPF Program’s Government product to provide affordable VA loans paired with the personalized service of a community bank. Through their Military Value Program, they offer benefits such as discounts on installment loans and ATM fee refunds—anchored by access

to affordable home financing. By selling VA loans through our MPF Government product, Citizens First can offer competitive rates, low closing costs, and keep loan servicing in-house. Because loans are originated and underwritten locally, customers receive consistent support throughout the process.

“When my son was deployed, I saw how deeply military families rely on stability during times of uncertainty,” said Tracey Eddy, Vice President, Citizens First Bank. “That experience shapes the way I support service members and veterans, using tools like the MPF program to help them move toward homeownership.”



Rooted in southwest Wisconsin, Citizens First Bank serves local families and businesses from its Sparta branch, including veterans accessing VA home loans supported by our MPF Government product.



State Street Bank, located on the Mississippi River, participates in our MPF Program to remain competitive while keeping homeownership affordable.

### Keeping Mortgage Lending Competitive with Community Banks

State Street Bank in Quincy, Ill. has served the region for 135 years. For more than 27 years, its partnership with FHLBank Chicago and the MPF Program has helped State Street remain competitive while keeping homeownership affordable.

“As a community bank, we want to offer the same mortgage options as larger lenders without losing the personal service our customers expect,” said Nathan Terwelp, EVP, Mortgage Lender at State Street Bank. “The MPF Program allows us to do both, while keeping long-term affordability front and center.”

The MPF Program provides long-term fixed-rate mortgage products while allowing the bank to retain servicing. MPF Traditional products add revenue through shared credit risk, enabling State Street to offer competitive rates and maintain sustainability.

For income-eligible borrowers, State Street pairs MPF loans with FHLBank Chicago’s DPP Program. Since 2001, State Street has leveraged over \$2 million in DPP grants, reducing upfront costs and expanding access to homeownership.

State Street also values the MPF Program’s reliable support. Whether working with a dedicated representative or the MPF Service Center, State Street receives timely assistance that builds confidence with homebuyers and realtors. As the fixed-rate mortgage market evolves, the MPF Program remains a vital partner in helping State Street Bank meet the needs of its customers and community.

### Partnership with the U.S. Small Business Administration

Not having access to capital increases the cost of doing business for small businesses and startups. For over 20 years, FHLBank Chicago has served as a partner to the U.S. Small Business Administration (SBA) to provide access to capital to privately-owned small business lenders and investors who in turn provide crucial financing to small businesses in need of funding to operate, expand and modernize their businesses. The on-demand financing we provide through our participation in SBA programs supports SBA-licensed Small Business Investment Companies in offering loans with lower interest rates and longer repayment dates, enabling increased private investment in U.S. small businesses and startups.

### Investment Portfolio Supporting Affordable Housing

FHLBanks maintain long-term investment portfolios to enhance interest income, cover operating expenses and bolster capacity to support affordable housing commitments.

**\$1.9B**

Fannie Mae Delegated Underwriting & Servicing (DUS) investment portfolio purchases



**14,000+** out of 17,000+ rental units housed **low- and moderate-income residents**

*\*Data provided by Fannie Mae DUS Disclose® with low- and moderate-income defined as below 80% of the area median income*

### How the SBA and FHLBank Chicago help small businesses get loans

The SBA partners with FHLBank Chicago and SBA-licensed Small Business Investment Companies to provide interim funding to small businesses nationwide. Funding provided by FHLBank Chicago is guaranteed by the SBA.

**\$3B**

in funding to support over **1,000** loans to small business investors through the SBA's standard debenture program



### Supporting State Housing Finance Agencies

We provide lending and funding assurance for housing mission work to two of our housing associates through standby bond purchase agreements.

**\$577M**

available in liquidity to the **Illinois Housing Development Authority (IHDA)** and **Wisconsin Housing and Economic Development Authority (WHEDA)**

# Investing in Communities

Championing access to affordable housing and economic development is at the core of FHLBank Chicago’s housing leadership strategy. We do this in three primary ways:

- Amplifying our members’ community investment activities with innovative products and programs that address unmet community needs and deliver impact throughout the district
- Building community throughout the district by facilitating economic opportunities for residents and communities
- Providing thought leadership and serving as a knowledge resource and convener of industry partners and members to promote innovation and problem-solving with respect to the district’s housing and economic development needs

FHLBank Chicago offers a variety of dedicated products to expand access to quality affordable housing and economic opportunities for low- and moderate-income households throughout Illinois and Wisconsin, in partnership with our members. These initiatives target the following community investment objectives:

- Expand the supply of affordable housing in the district
- Improve housing affordability and homeownership sustainability
- Expand access to capital for housing and economic development
- Catalyze economic opportunities for residents and communities
- Build community capacity for affordable housing and economic development

In pursuing these objectives, FHLBank Chicago responds to critical housing and community development needs, facilitates impactful opportunities for our members to address those needs, champions innovation, and delivers on our commitment to housing leadership.

Each year, FHLBank Chicago conducts a needs assessment to gather information on affordable housing and community lending needs throughout the district. Informed by quantitative market analysis and qualitative research, the annual needs assessment identifies gaps in the market and opportunities for program enhancements and new initiatives.

We also work with our Community Investment Advisory Council (CIAC), which consists of industry leaders from community and nonprofit organizations actively involved in providing or promoting affordable housing and/or community development in Illinois or Wisconsin. The CIAC meets quarterly with leaders from FHLBank Chicago and our Board of Directors to share insights on community needs and inform our community investment strategy.

Each year, we publish information on community needs and market dynamics in our Targeted Community Lending Plan (TCLP), which informs our community investment programming for the following year.



**Our 2025 analysis highlighted critical needs, such as:**

### Affordable Housing Needs

- Housing supply, both single-family and multifamily, with a focus on production of new units and reinvestment in aging housing stock
- Homeownership affordability and sustainability
- Rental housing affordability
- Housing for populations with heightened need, including individuals experiencing homelessness
- Housing for large households
- Support for emerging developers

### Economic Development and Community Lending Needs

- Support for community-based financial institutions and counseling organizations
- Support for capacity-building in community development
- Support for small businesses
- Support for targeted, place-based development strategies

### Affordable Housing Program Grants

FHLBank Chicago plays a significant role in supporting affordable housing in Illinois and Wisconsin through our Affordable Housing Program (AHP), which includes our competitive AHP General Fund awards and down payment assistance through our Downpayment Plus (DPP) Programs.

### Affordable Housing Program General Fund

Through this program, FHLBank Chicago supports the acquisition, new construction and/or rehabilitation of rental or owner-occupied housing for low- and moderate-income households. Our members partner with for-profit and nonprofit developers, community organizations, units of government, public housing authorities and tribal governments to apply for our annual grant program.

IN 2025

**\$52M**

awarded in partnership with **23 members** to help finance **37 housing projects** supporting more than **1,600 individuals and families** with their housing needs

SINCE 1989

**\$630M+**

allocated to assist more than **85,000 households**



Housing leaders and community partners gathered in Hayward, Wis., to celebrate the groundbreaking of Trailview Cottages—an affordable housing development supported by a \$2 million Affordable Housing Program (AHP) grant from FHLBank Chicago.

### Trailview Cottages Brings New Momentum to Rural Housing and Workforce Development in Northern Wisconsin

In 2025, community partners in northern Wisconsin broke ground on Trailview Cottages, a development that marks a major step forward for affordable rural housing in Sawyer County. Supported by a \$2 million Affordable Housing Program (AHP) General Fund grant awarded through FHLBank Chicago member IFF, the project united Impact Seven, Cinnaire, Northwood Technical College, and local organizations around a shared vision for the communities' future.

When complete, Trailview Cottages will offer 40 cottage-style apartments designed to expand housing options for individuals and families who work in the region. Each home will include an attached garage, private driveway, and access to community amenities such as a fitness room, gathering space, and outdoor patio. The development will play a meaningful role in addressing the area's shortage of attainable rental homes.

Trailview Cottages will also strengthen the region's workforce pipeline. Through the Housing

Opportunity and Mobile Education Solutions (HOMES) Initiative, Northwood Technical College will operate a Workforce Accelerator on-site, bringing classroom instruction and mobile training labs directly to residents and local workers. The program will offer training in high-demand fields such as manufacturing, welding, and dental assisting—expanding access to career pathways without long commutes.

For FHLBank Chicago and its CDFI members, the project highlights the power of coordinated investment. "Trailview Cottages demonstrates how our members can expand affordable housing while supporting the employers and residents rural communities rely on," said Katie Naftzger, Senior Vice President and Community Investment Officer.

Trailview Cottages stands as an example of how strong regional partnerships can meet both housing and economic needs in Wisconsin's rural communities.

### Downpayment Plus Programs

Downpayment Plus and Downpayment Plus Advantage® provide our members with easy-to-access downpayment and closing cost assistance for low- and moderate-income homebuyers, reducing hurdles to homeownership and providing opportunities to build home equity. Our members provide first mortgage financing to access DPP grants. Nonprofits that provide mortgage financing for homebuyers, such as Habitat for Humanity, partner with an FHLBank Chicago member to access DPP Advantage funds. Our DPP programs require participation in homeownership education and counseling, supporting sustainable homeownership.

IN 2025  
**\$43M**

disbursed to over **4,500** homebuyers in partnership with **233** members

SINCE 1994  
**\$330M+**

allocated to provide down payment and closing cost assistance to more than **51,000** homebuyers



Bobbi Penn and her daughter Naomi celebrate homeownership, supported in part by a \$10,000 Downpayment Plus (DPP) grant from FHLBank Chicago.

### Downpayment Plus Program Creates Full-Circle Homeownership Impact

When Bobbi Penn needed a stable home for herself and her daughter Naomi, she turned to the very program she now champions as a mortgage lender at State Bank of Toulon. While staying with her brother during a transitional period, Bobbi spotted a house for sale just down the street. The moment felt “meant to be.”

“It was just the right fit for us,” Bobbi recalls. The location allowed Naomi to transfer into the same school district Bobbi had attended as a child and kept her brother close by for support. “If I ever need anything, he’s two seconds away.”

Through FHLBank Chicago’s DPP program, Bobbi received a \$10,000 grant to help cover her down payment and closing costs. That support freed up funds to furnish her new home

and ease the transition into homeownership for Bobbi and her daughter. “We would not have been able to do that without the grant,” she says.

Bobbi began her career at State Bank of Toulon as a teller. Six years later, she has grown into a mortgage lender who brings compassion and firsthand knowledge to her work. Having gone through the process herself, she guides customers with clarity and reassurance—helping families access programs they might not realize are within reach.

Her story is a powerful reminder of how the DPP Program creates lasting impact: providing stability for families today while empowering professionals like Bobbi to help others achieve the same dream.

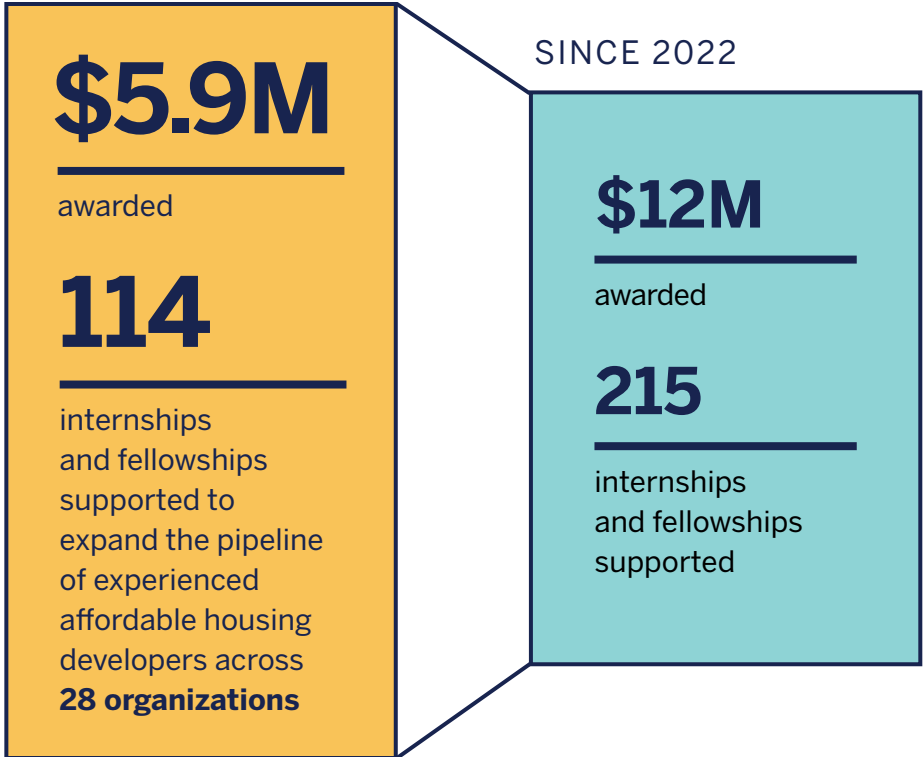
### Community First Grant Programs

In addition to our support for the Affordable Housing Program, we allocate resources to support a variety of “Community First” programs to address unique needs in our district identified in our Targeted Community Lending Plan. In 2025, we continued to offer two Community First grant programs, the Developer Program and the Housing Counseling Resource Program.

### Community First Developer Program

This program supports career development initiatives for real estate developers of affordable housing. To grow the developer talent pipeline in Illinois and Wisconsin, we focused on granting funds to support compensation for internships and fellowships.

IN 2025



[VIEW THE FULL STORY](#)

Kirby Toon of Forward Community Investments, Kaba Bah of Kaba-Baal LLC, and Abbey L. Delgadillo of FHLBank Chicago celebrate a \$241,000 Community First Developer Program award to Kaba-Baal LLC supporting fellowships and internships that prepare emerging professionals for careers in affordable housing.

### Investing in Emerging Developers

In 2025, FHLBank Chicago awarded \$241,000 through its Community First Developer Program to Kaba-Baal LLC, a Madison-based firm founded by developer Kaba Bah. The funding, delivered through Forward Community Investments, marked a significant milestone for Kaba-Baal LLC as it worked to create new pathways into affordable housing development for emerging professionals across Wisconsin.

Kaba built his firm on the belief that everyone deserves a safe and dignified place to call home. His work centers on creating homeownership opportunities that strengthen neighborhood stability and help families build long-term security. The Developer Program grant provided new capacity to advance this mission, supporting fellowships and internships that prepare emerging leaders for careers in affordable housing.

Future fellows and interns will gain hands-on experience through projects in development, including work in communities such as River Falls and Columbus. Their roles will introduce

them to project management, planning and community engagement—while also teaching them the importance of thoughtful, purpose-driven development. Kaba notes that the most meaningful outcome will be helping new professionals understand how intentional development can transform neighborhoods and expand opportunities for families.

Forward Community Investments has played a key role in this progress, helping Kaba-Baal LLC refine its vision, navigate early challenges, and position the firm for growth. With Developer Program funding secured, the organization is ready to take its next steps and create space for new developers who want to make an impact in their communities.

In 2025, the partnership between FHLBank Chicago, Forward Community Investments, and Kaba-Baal LLC demonstrated how targeted investment can open doors for emerging leaders. The work ahead will support new talent, new projects, and new opportunities for families across Wisconsin and Illinois.

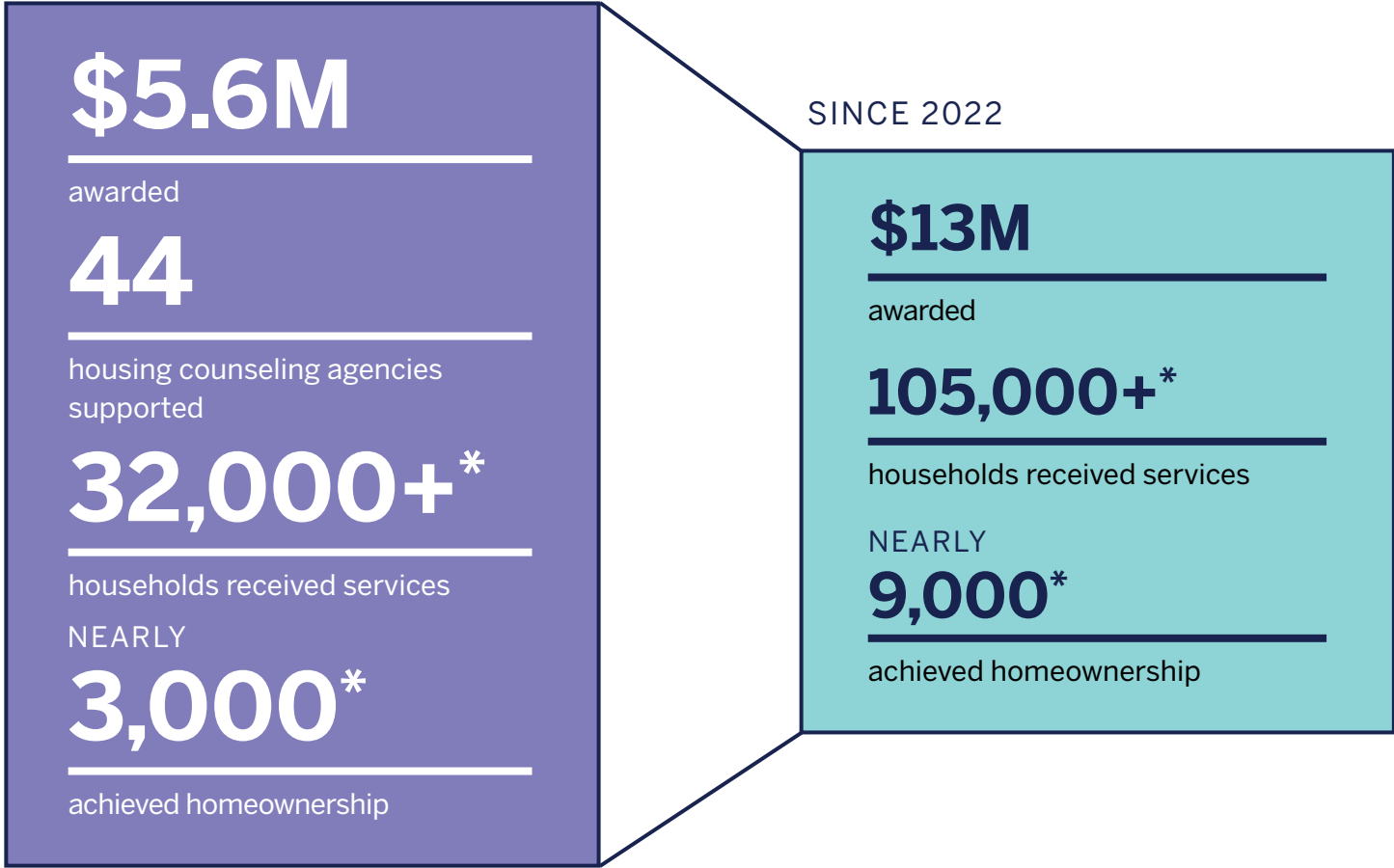
### Community First Housing Counseling Resource Program

This program provides grants to housing counseling agencies to expand their services to low- and moderate-income homebuyers and facilitate sustainable homeownership. Through these grants, agencies in our district can provide financial counseling and education to help homebuyers rebuild credit, manage debt and establish savings. This program is administered via two housing associates, the Illinois Housing Development Authority (IHDA) and the Wisconsin Housing and Economic Development Authority (WHEDA), on behalf of FHLBank Chicago.



First-time homebuyer Kathryn Hazleton celebrates achieving homeownership with housing counseling support from La Casa de Esperanza and \$10,000 in down payment assistance through FHLBank Chicago's Downpayment Plus Program.

IN 2025



\*Data provided by IHDA, WHEDA, and HUD Exchange based upon HUD fiscal years

### Expanding Housing Counseling to Help More Wisconsin Families Reach Homeownership

In 2025, FHLBank Chicago strengthened its commitment to housing counseling by awarding \$2.5 million to WHEDA through the Community First Housing Counseling Resource Program. This investment expanded WHEDA's reach through its network of HUD-certified counseling agencies and enhanced services that help families prepare for long-term financial stability.

Since the program began, thousands of Wisconsin residents have received financial education, credit preparation, and homebuyer support, with many achieving their goal of purchasing a home—each success reflecting the impact of knowledgeable counselors who guide families toward mortgage readiness.

One of those families was led by first-time homebuyer Kathryn Hazelton. Kathryn connected with La Casa de Esperanza to learn the homebuying process and strengthen her financial position. Through individualized counseling, she

completed homebuyer education, prepared for a mortgage with Waukesha State Bank, and built the confidence to take the next step. With this support, Kathryn also secured a \$10,000 grant through FHLBank Chicago's Downpayment Plus Program, helping her purchase her first home without depleting her savings.

"La Casa de Esperanza's homebuyer program helped me understand what I needed to do to buy a home," Kathryn said. "The grant I secured through the DPP Program was extremely helpful, and I finally did it. Being a homeowner makes me feel free, and it is relaxing to know I have my own place and my payments are controlled."

Kathryn's experience reflects the broader impact of housing counseling across Wisconsin. Through its partnership with WHEDA and local agencies, FHLBank Chicago is helping more families achieve homeownership and build financial stability for the future.

### Housing and Community Development Subsidized Lending Products

FHLBank Chicago helps our members support affordable housing and economic development needs in their communities via below-market rate advances that facilitate community lending. Collectively, these products provide members with the liquidity to address lending needs in their communities.

#### Community Advance: Expanding Impact Through Innovation

##### Community Impact Advance Pilot Program

In 2024, FHLBank Chicago introduced the Community Impact Advance Pilot Program, providing up to \$50 million in interest rate subsidies and offering up to a 200 basis point reduction on advances. The pilot made capital more accessible for affordable housing, economic development and community partnership projects. The pilot concluded in 2025, and insights from member participation and project outcomes informed the redesign of our Community Advance products.

2024-2025 IMPACT

**\$635M**

community funding

**\$47M**

subsidy utilized

**78**

members executed a Community Impact Advance

##### Community Advance

In 2025, we redesigned our three Community Advance products, creating a single product which expands member financing and activity eligibility and streamlines processes. Key improvements include expanded eligibility for housing and economic development activities, deeper interest rate discounts—up to 200 basis points for certain affordable housing and non-depository CDFI support—and an online application platform for easier transactions. These changes were driven by member feedback and aim to maximize access, reduce operational complexity, and strengthen our ability to measure community impact.

2025 IMPACT

**\$3.3B**

funded to support housing for more than **14,800 households** and more than **14,700 jobs**

**\$21M**

subsidy utilized

**104**

members executed a Community Advance



CoVantage Credit Union leveraged FHLBank Chicago's Community Advance in 2025. Construction of three multifamily units in Chicago's Bronzeville neighborhood is underway, expanding housing supply in Illinois.

### Community Advance Expands Housing Access Across Illinois and Wisconsin

CoVantage Credit Union leveraged FHLBank Chicago's Community Advance in 2025 to secure competitive funding for housing development across two states—constructing three multifamily units in Illinois and 12 single-family homes in Wisconsin.

The Community Advance's interest rate discount of up to 200 basis points gave CoVantage the flexibility to support construction without disrupting timelines. The streamlined product allowed the credit union to move quickly on time-sensitive projects while maintaining competitive member rates.

"The Community Advance enabled us to secure funding at a competitive discount, making it possible to support housing development that directly benefits our members and their communities," said Mary Massey, Chief Financial Officer at CoVantage Credit Union. "The platform and member support made the process clear and efficient, enabling us to obtain reduced borrowing costs without impacting construction timelines."

These new housing units add supply in communities CoVantage serves, addressing the growing need for multifamily and single-family options. Partnerships like this demonstrate how the Community Advance enables member institutions to respond to local housing demand.

Investing in Communities

Community First Fund

The Community First Fund is a revolving loan fund that provides unsecured lending to community organizations, including non-depository community development financial institutions (CDFIs), to support their affordable housing and community development lending in Illinois and Wisconsin. The Community First Fund provides “patient” capital at low interest rates, enabling participating organizations to in turn provide reliable, long-term support to their communities.

Our partners who leverage the Community First Fund play a critical role in local markets, providing financial services to their communities. These partners finance small businesses, community facilities, and housing development, providing affordable, consumer-friendly lending options and helping to create more vibrant, thriving communities throughout our district.

2025 IMPACT



A rendering of the Children's Museum of Rock County in downtown Janesville, supported by a \$2 million loan from Impact Seven, financed through FHLBank Chicago's Community First Fund (CFF).

Bringing Play and Learning to Life in Downtown Janesville

Impact Seven, a Wisconsin-based CDFI, is partnering with FHLBank Chicago to bring the Children's Museum of Rock County to life—a community-driven project addressing the need for dedicated spaces where children can play and learn.

In 2025, Impact Seven secured an \$8 million loan through FHLBank Chicago's Community First Fund (CFF). Loans through the CFF support Impact Seven's ability to fund various community development projects. In 2025, they provided a \$2 million loan to support development of this \$12 million children's museum facility in Janesville, Wis. The project repurposes a vacant former community bank building, demonstrating the power of placemaking to revitalize downtown spaces while meeting local needs.

Until now, families in Rock County had to travel far for a children's museum experience. The new museum will change that—creating a space where kids learn by doing, families

connect across generations, and creativity and confidence can grow.

“This project demonstrates how flexible financing can unlock transformative community development,” said Tad Giyan, Vice President of Business Development at Impact Seven. “The Community First Fund loan provided the capital we needed to move forward on a project that will serve generations of Rock County families. By repurposing a vacant downtown building, we're not only creating a destination for children and families—we're contributing to Janesville's economic revitalization.”

Set to open in 2026, the museum will welcome families from across the region and offer children a vibrant space for learning and exploration. Through partnerships like this, FHLBank Chicago's Community First Fund provides CDFIs with the capital they need to strengthen communities and create lasting impact.

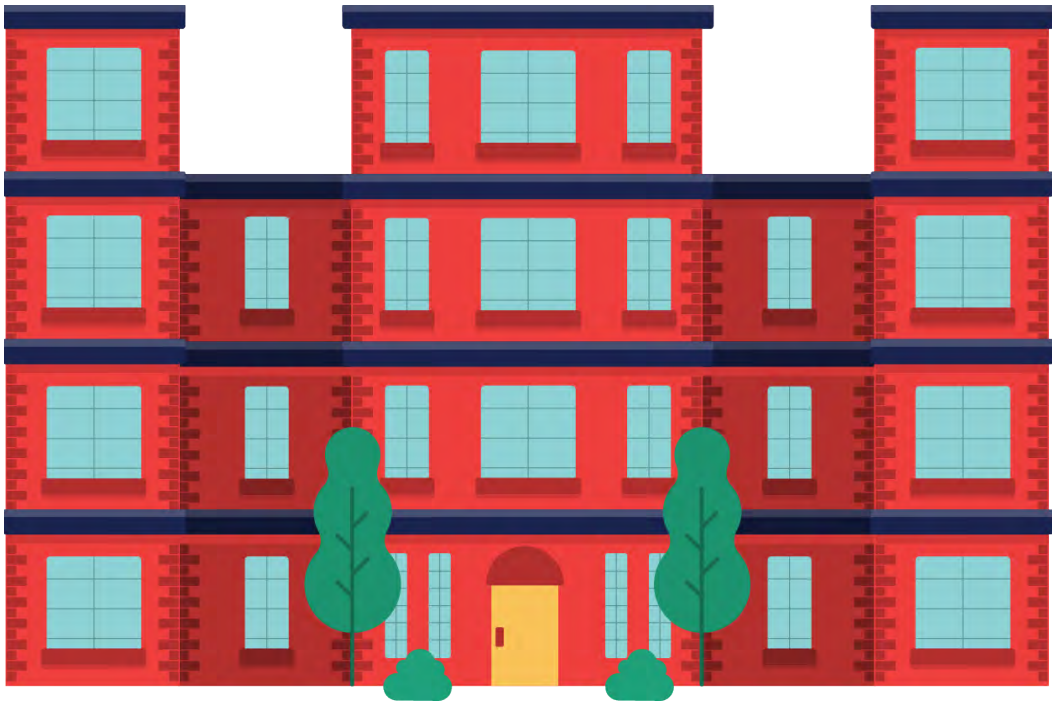
### Housing Leadership: Convening for Solutions

Addressing housing supply challenges requires more than capital alone. It takes coordination, shared understanding, and sustained collaboration across sectors.

FHLBank Chicago plays a convening role across Illinois and Wisconsin by bringing together housing leaders, member institutions, trade associations, policymakers and community partners. Through district-wide gatherings, partnerships, and on-the-ground engagement, FHLBank Chicago helps connect data, lived experience, and local insight to promote housing solutions that respond to the needs of communities across the district.



Housing leaders gathered in Milwaukee as part of FHLBank Chicago’s partnership with the Urban Institute to address housing supply challenges across Illinois and Wisconsin.



### Leading the Conversation on Housing Supply

In 2025, FHLBank Chicago partnered with the Urban Institute to address the region’s housing supply crisis and actively shape solutions for Illinois and Wisconsin communities.

The partnership launched with landmark convenings in Milwaukee and Chicago, bringing together housing leaders from across the district—including WHEDA, IHDA, CDFIs, developers, and member institutions. Guided by the Urban Institute’s data-driven chartbooks, participants examined supply gaps across metropolitan, suburban, rural, and tribal markets, identified barriers, and explored collaborative strategies.

These convenings marked the start of a multi-year engagement with the Urban Institute focused on the role FHLBank Chicago and its members play in the housing ecosystem and possible avenues to spur owner-occupied housing development and preservation.



This convening made space for listening, learning from lived experience, and reflecting on the work ahead. I appreciate FHLBank Chicago and the Urban Institute for making that possible.



**Elmer Moore Jr.**  
Executive Director  
WHEDA

### Impactful Partnerships

FHLBank Chicago works closely with member trade associations and industry partners to advocate for housing and financial services issues. By leveraging our shared connections, we amplify and better serve our members and their customers.

We provide annual financial support to our trade association partners, which in 2025 included grant funding that was used to support a variety of projects including financial literacy education, fraud prevention, cybersecurity awareness, small business counseling, and data resource development targeted to support low- and moderate-income consumers. These partnerships support our members by strengthening the local communities they serve.

### TRADE ASSOCIATION GRANTS IN ACTION



A financial literacy workshop for community members coordinated by the Illinois Bankers Association and the office of Congresswoman Nikki Budzinski (IL-13) to provide practical guidance on budgeting, homebuying, fraud prevention, identity-theft protection, and savings.



Pop-up small business counseling centers were created in Chicago-area credit unions through a collaboration with the Illinois Credit Union League and the Illinois Hispanic Chamber of Commerce.



Wisconsin Bankers Association partnered with Bank of Prairie du Sac to support the 6:8 Circles Sauk Prairie program—a relationship-based community initiative aimed at helping families permanently move out of poverty through education, mentorship, and support.

### Partners in Advocacy



### On the Ground: Congressional Engagement

FHLBank Chicago brings together leaders at housing developments to spotlight solutions for seniors, workforce, and community needs. These events highlight FHLBank Chicago’s role as a connector—bringing policymakers, developers, and financial institutions together at housing projects made possible through our funding partnerships to advance solutions that strengthen communities.



At Zion Woods Apartments in Deerfield, Ill., Congressman Brad Schneider joined representatives from FHLBank Chicago, our member Wintrust Bank, and the Housing Opportunity Development Corporation to celebrate the grand opening of this affordable housing community. Rep. Schneider led a discussion on housing challenges for seniors and workforce needs, emphasizing importance of collaboration to address regional housing gaps.



Zion Woods residents like Jenny are finding more than a place to live—they’re discovering safety, community and the peace of being surrounded by nature. Developed by the Housing Opportunity Development Corporation in partnership with Brinshore Development, LLC and funded in part by a \$625,000 AHP grant through our member Village Bank & Trust, Zion Woods is proof of what’s possible when partnerships bring housing within reach.



[VIEW THE FULL STORY](#)

In Wisconsin, Congressman Scott Fitzgerald toured Muskego School Apartments—a former grade school transformed into housing—and met with local leaders to discuss solutions for senior housing and workforce development. The project received a \$510,000 AHP grant, sponsored by Associated Bank. The project is an example of the unique adaptive reuse of an empty school into a place to call home for area seniors, families, and individuals with disabilities.

“Meeting housing needs requires more than just funding; it takes collaboration to ensure every Wisconsinite has a safe, stable place to call home,” said Congressman Scott Fitzgerald. “Thanks to partners like FHLBank Chicago, Associated Bank, and the Wisconsin Partnership for Housing Development, Inc., we’re solving housing issues right here in Muskego.”

# Cultivating a High-Performing and Engaged Workforce

We foster a collaborative culture where every employee feels supported, valued, and encouraged to grow. We believe that when people are empowered to bring forward their ideas and develop their skills, they spark transformation, not only within FHLBank Chicago but also across the communities we serve. In our daily work, we listen to and value all perspectives, and we strive to do our best work together.

We are committed to continuous learning because it strengthens our ability to serve our members with insight and excellence. Our members serve multifaceted communities across Illinois and Wisconsin—from quiet rural areas to small town main streets and from bustling cities to the sprawling Northwoods. To best support these vibrant communities,

we continually expand our capabilities and build strong, proactive partnerships grounded in trust and shared purpose.

Our employee development strategy is designed to help each individual grow and apply new skills in meaningful ways. In 2025, we expanded a multiyear Skill Development Journey to invest in our valued employees and to keep our workforce prepared for the rapid pace of change in technology, process, and business priorities. This initiative supports employees by providing access to high quality learning resources, modern technology, and clear skill expectations. Through this shared journey, we’re building a stronger Bank where employees feel inspired, supported, and ready to help our members and communities thrive.



Employees shape our culture through their unique perspectives, skillsets and voices. We offer an array of initiatives to engage, motivate and connect employees to build stronger teams and attract top talent.

In 2025, we welcomed a new cohort of managers to our Coaches Helping to Accelerate Managers Program (CHAMP). This is a six-month management coaching program that pairs seasoned leaders with newer managers to support their development goals and provide ongoing mentorship. Throughout the program, managers and coaches meet regularly to align on learning objectives, debrief on training assignments, and discuss progress on goals and how their learning has been put into practice within their teams. CHAMP also gives coaches experience in guiding the development of others to help shape FHLBank Chicago’s future leadership and culture.



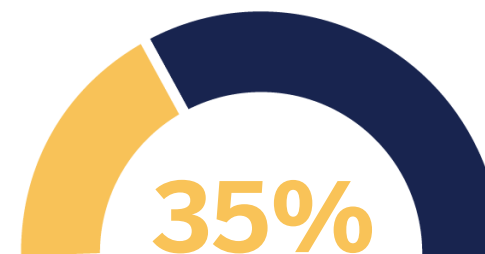
## WORKFORCE COMPOSITION

**475**

total employees

**9 years**

average tenure



in management roles responsible for people, products, processes or technologies

# Cultivating a High-Performing and Engaged Workforce

## Attracting and Retaining Talent

We strive to attract a wide array of qualified candidates through recruiting partnership organizations, our college recruiting program, and a social media focus on our employee culture.

Our performance management process is done throughout the year and our ability to give and receive feedback, as well as set expectations more effectively, provides professional growth and creates accountability for our managers and employees. We are committed to supporting employee development and providing learning opportunities to help employees advance their careers, ensuring we have the right talent in the right roles.



FHLBank Chicago employees at a university career fair, engaging with students about internship and early career opportunities.

## Rotational Analyst Program

We offer a two-year program for rotational analysts where they gain deep insight into our operations, spending six months with four different teams on analytics, quantitative finance, operations, or IT-focused tracks. Throughout the program, analysts are paired with a mentor, as well as a buddy who is a current rotational analyst, who offers resources and support. The program includes a training and social calendar that provides analysts with many opportunities to grow professionally and expand their network.

## Internship Programs

We offer summer and long-term internship programs that give undergraduate and graduate students the opportunity to gain valuable financial industry experience. During our 10-week summer program, we work closely with interns to provide meaningful projects, networking and professional development opportunities. All interns complete a capstone project that addresses practical business issues, such as developing a new product or improving an existing process. At the end of the program, they present their findings and recommendations to our leadership team.

**48**  
new employees welcomed

**46**  
employees promoted



FHLBank Chicago interns present their capstone projects to leadership, showcasing the insights and experience gained during the summer internship program.

## Corporate Work Study Program

We partner with a Chicago high school, Christ the King Jesuit College Prep, to provide students with exposure to corporate work culture and mentorship. The program's participants are junior-level students from communities in the Southwest and West sides of Chicago. The work study allows these students to assist with work tasks in their respective departments and earn stipends to cover a portion of their educational costs—making quality, college prep education possible for students who could not otherwise afford it. In addition to providing opportunities for skill development, the program seeks to create a new generation of leaders and a path toward corporate career opportunities.

## Professional Development and Mentoring

At FHLBank Chicago, we are committed to supporting employee development and providing learning opportunities to help employees grow in their careers. We strive to enhance career development and continue to build on our coaching culture. We have a robust set of guidelines to help employees and their managers collaborate and discuss learning and development needs and identify the best way to acquire relevant skills and knowledge. This includes learning in non-formal classroom or workshop environments such as on-the-job experiences, special projects or assignments, self-paced learning, or mentorships.

## External Partnerships and Business Workshops

As part of our continued efforts to offer development opportunities, FHLBank Chicago partners with a communications coaching and training organization to strengthen employees' communication and presentation skills. This resource has been used by employees and leaders across our organization who have presented at our all-employee meetings, town halls, and conferences to help them refine their messaging and deliver impactful presentations to their audiences. Teams have also leveraged this coaching to enhance their communication to better support cross-team initiatives and improve collaboration.

Additionally, FHLBank Chicago partners with professional development and coaching experts to help employees elevate their professional presence and influence. In 2025, we hosted several sessions focused on understanding how emotional intelligence and accountability contribute to personal brand, building trust and credibility with stakeholders, and mastering the art of small talk to build greater connections and engage in meaningful discussions.



Employees participated in a professional development session focused on strengthening workplace presence, emotional intelligence, and accountability.

### Cultivating a High-Performing and Engaged Workforce

#### Corporate Citizenship: Employee Volunteerism

In 2025, we advanced our commitment to strengthening communities across our district through our Corporate Citizenship program rooted in service, connection, and shared purpose. Built around our mission to support housing and economic development, the program is designed to create meaningful pathways for employees to contribute their time, expertise, and leadership.

Employee volunteerism emerged as the heart of the program, offering staff hands-on opportunities to make a tangible impact in the communities we serve. From on-the-ground service projects to skills-based support for local organizations, employees embraced opportunities to give back, strengthen community partnerships, and embody our values in action.



Employees from FHLBank Chicago and First State Bank volunteered in Mendota, Ill., conducting a housing stock survey to support the community’s Housing Needs Assessment and future housing planning efforts.



#### Supporting Community Planning Through Partnership in Mendota

Future housing development starts with understanding local needs. To advance that work, First State Bank partnered with FHLBank Chicago to assist with a housing stock survey in Mendota, Ill. as part of the Illinois Housing Development Authority’s Community Revitalization Technical Assistance Program. This initiative helps communities assess conditions and create plans that promote long-term revitalization and housing stability.

The survey documented Mendota’s residential properties, providing critical data to inform the community’s Housing Needs Assessment. These insights will guide development goals, including a proposed affordable housing project for seniors, and position the community to compete for future funding opportunities.

Employees from First State Bank joined FHLBank Chicago staff for a day of service to complete the survey, working directly in

the community to collect data that supports planning efforts. The collaboration reflected First State Bank’s commitment to the communities it serves and its role as a local partner in development.

Jen Schaefer from FHLBank Chicago’s community investment team coordinated the effort, giving employees the chance to engage with residents and gain a deeper understanding of Mendota’s housing needs. “The corporate citizenship event in Mendota was a wonderful day that allowed us to build relationships with a member on a personal level and see the needs of a community we are serving firsthand,” said Schaefer.

Through initiatives like this, First State Bank and FHLBank Chicago help communities lay the groundwork for future housing development and revitalization—reinforcing the power of partnerships in addressing housing needs across the district.

### Cultivating a High-Performing and Engaged Workforce

### Employee Benefits

In addition to our robust employee engagement activities and professional growth opportunities, we strive to foster a positive employee experience through our total rewards package, offering a variety of benefits that make FHLBank Chicago stand out as a top workplace.



Garrett Woody, VP, Senior Enterprise Architect, and Amy Shi, SVP, Director, Market Risk & Earnings Analysis, represented FHLBank Chicago in the inaugural Chicago Innovation Fellows Program.

 <p><b>Competitive Compensation Structures</b></p> <p>Salaries and performance-based incentives</p>	 <p><b>Retirement Plan</b></p> <p>401(k) with <b>employer match</b> and a pension</p>	 <p><b>Health Insurance</b></p> <p>Medical plans with salary-based health insurance premiums</p>
<p><b>Lifestyle Support</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="183 1219 439 1360">  <p>Competitive paid time off plan—<b>25 days</b> for starting full-time employees plus <b>11 paid holidays</b></p> </div> <div data-bbox="493 1219 749 1360">  <p>Paid leave options, including short- and long-term disability, maternity, family and new child leave</p> </div> <div data-bbox="803 1219 1059 1360">  <p>Reimburses employees for up to <b>\$1,200</b> in well-being costs</p> </div> </div>	 <p><b>Office Perks</b></p> <p>Fitness center, daily lunch stipend, dedicated rooms (Mothers, Wellness, Prayer)</p>	 <p><b>Matching Gifts</b></p> <p>Match up to <b>\$5,000</b> in qualified donations per employee annually</p>
 <p><b>Tuition Reimbursement Program</b></p> <p>Up to <b>\$25,000</b> each calendar year per employee. In 2025, 15 employees received <b>\$200,000+</b> in tuition reimbursement support.</p>		

### Cultivating Leaders Through the Chicago Innovation Fellows Program

In 2025, FHLBank Chicago deepened its commitment to innovation leadership by sending two employees to participate in the inaugural Chicago Innovations Fellows Program. Developed in partnership with Northwestern Kellogg’s Center for Research in Technology and Innovation, this six-month leadership program blends advanced theory with hands-on application, connecting executives to Chicago’s dynamic innovation ecosystem.

The first cohort brought together participants from a range of companies and sectors, creating rich opportunities for cross-industry learning and collaboration. Garrett Woody, VP, Senior Enterprise Architect; and Amy Shi, SVP, Sr. Director, Market Risk & Earnings Analysis, represented FHLBank Chicago. Through leadership workshops, access to thought leaders, and Chicago Innovation community events, fellows developed skills to drive transformational change within their organizations.

Amy and Garrett found the experience to be transformative, both personally and professionally. “The program instilled confidence in me as a leader and shifted my mindset around innovation,” Garrett shared. “Instead of asking ‘why,’ I learned to ask ‘why not’—and I’ve been implementing that approach with my IT colleagues. It’s about being an ‘intrapreneur’ rather than an entrepreneur, recognizing that any company can drive innovation from within.”

The program culminated in a capstone project where Amy and Garrett put their learnings into action. Beyond technical achievements, the Fellows Program provided lasting networking opportunities, including access to the Chicago Innovation Alumni network, where Garrett recently returned as a panelist to share his experience with the next cohort.

Through initiatives like the Chicago Innovation Fellows Program, FHLBank Chicago demonstrates its commitment to developing forward-thinking leaders who bring new ideas and innovative approaches to support our members and communities.

### Our Headquarters

Our home office in the Old Post Office in Chicago, a 1921 Art Deco building, was vacant for many years prior to going through a significant historic redevelopment effort. Today, it is a central hub for our headquarters, providing many perks to facilitate employee well-being.

**Tenant Amenities:** Employees have access to a range of dining options, a full-service gym and wellness center, parking and bicycle storage. The building also has a private rooftop offering a running track and multi-sport courts, and a lounge for recreational activities.

**The “Meadow” Rooftop:** The roof intercepts and helps divert storm water from entering the storm sewer system. It illustrates—at a large scale—how vegetated roofs can be attractive, functional, and an asset to development projects. There are native and adapted perennials and grasses that also help reduce the overall demand for water and improve air quality. The Meadow is home to bee colonies that aid in pollinating the flowers.

**Access to Public Transportation:** Our office is centrally located downtown near most Chicago Transit Authority city trains, and Union Station and Ogilvie Transportation Center which operate Metra rail commuter trains taking employees to and from surrounding suburbs, giving employees flexibility and contributing to shorter commutes.

**Office Recycling:** We offer composting and recycling to minimize waste. Additionally, we recycle or donate useable technology.



FHLBank Chicago employees volunteered at Compudopt, sorting and preparing retired laptops for refurbishment and distribution to students across Chicago.

## Transforming Technology into Opportunity: How FHLBank Chicago Repurposed Laptops to Support Students

FHLBank Chicago’s commitment to modernizing our technology and community impact came together during a recent hardware improvement. After the upgrade of hundreds of laptops for employees, we saw an opportunity to transform these devices into tools for educational advancement.

The laptops, while at their end-of-life for employees after several years of use, became catalysts for change through strategic and intentional partnerships. FHLBank Chicago worked with technology partner, Avanade, to prepare the devices to ensure that they were in great working order before they were sent to Compudopt—a national nonprofit dedicated to closing the digital divide by providing technology access to under-resourced youth.

Employees from FHLBank Chicago volunteered their time, moving and sorting laptops at Compudopt’s facility before distributing the refurbished laptops to students during back-

to-school events with the Daniel Murphy Scholarship Fund and the Chicago Housing Authority’s Take Flight Trunk Party. For many recipients, these devices replace shared or library computers, giving them direct access to the tools they need to succeed in college and beyond.

“We knew we would change lives that day,” said Cedric D. Thurman, former EVP, Community Investment, FHLBank Chicago. “There were students trying to figure out how they would have access to technology. They walked away with laptops that were now theirs, and that would help make them successful.”

By repurposing technology that might otherwise contribute to electronic waste, FHLBank Chicago demonstrated how corporate responsibility can create meaningful community impact—turning routine hardware updates into opportunities for Chicago’s next generation.

# Strong Risk Management and Governance

We strive to operate under the highest standards of business ethics and governance. FHLBank Chicago is led by committed and expert leaders on our Board of Directors and Executive Team. They all have the goal of ensuring we are providing liquidity and reliable funding to our members, supporting housing and economic development in our communities, and fostering a collaborative culture.

## Board of Directors

The Board of Directors of FHLBank Chicago is responsible for overall management and oversight. We have directors that represent our membership and independent directors representing relevant industries and community and consumer interests. Our directors live throughout Illinois and Wisconsin and have experience with both urban centers and rural communities. For 2026, we have eight member directors and six independent directors. Generally, directors stand for re-election every four years and may serve a maximum of three consecutive four-year terms. Visit [our website](#) to learn more about each director.

## Board Committees

The Board is responsible for approving and overseeing management’s implementation of our strategic objectives, governance framework and corporate culture. The Board accomplishes its functions both by acting directly and by delegating oversight for certain activities to Board Committees which report to the full Board.

For 2026, our Board Committees include:

- Affordable Housing Committee
- Audit Committee
- Executive and Governance Committee
- Human Resources and Compensation Committee
- Operations and Technology Committee
- Risk Management Committee



At the 2025 Directors Conference, Board Members, FHLBank Chicago leaders, and members visited Capitol Hill to meet with several representatives and discuss issues impacting housing and community development.

## Board of Directors



**Michelle L. Gross**  
Chairperson

EVP/COO, Information Systems Officer,  
and Chairman of the Board  
*State Bank of Bement*



**Daniel G. Watts**  
Vice Chairperson

Director and President  
*Forest Park National Bank and  
Trust Company*



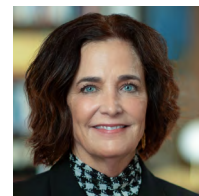
**Kenneth D. Thompson**  
Vice Chairperson Elect

Chairman of the Board  
*Capitol Bank*



**Dean A. Ahlers**

Board Director  
*Sterling Federal Bank*



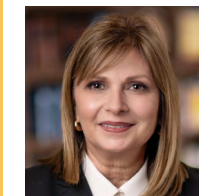
**Kathy Burns**

Chief Executive Officer  
*Aclaimant*



**Joseph Fazio III**

Chairman of the Board of Directors  
*Bristol Morgan Bank*



**Betsy A. Johnson**

Chairman and CEO  
*Solutions Bank*



**Phyllis Lockett**

Chief Executive Officer  
*LEAP-X*



**Kevin L. Newell**

Founder and CEO  
*Royal Capital Group*



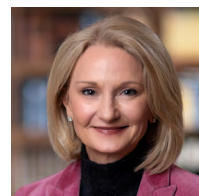
**John W. Pietrowicz**

Former Chief Financial Officer  
*CME Group*



**Bradley J. Schroeder**

Chairman, President and CEO  
*DMB Community Bank*



**Lois A. Scott**

President  
*Epoch Advisors*



**Ty R. Taylor**

President and CEO and Chairman  
of the Board  
*Waukesha State Bank*



**Mary R. Wright**

Former President  
*Wisconsin Housing Preservation Corp.*

## Executive Team

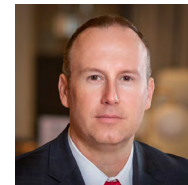
The Executive Team develops and implements the overall business strategies of FHLBank Chicago, subject to Board approval. It acts as the primary management committee across all functions and considers and addresses significant issues affecting our business and operations. Visit [our website](#) to learn more about each leader’s role and access their bio.

### Other Management Level Committees

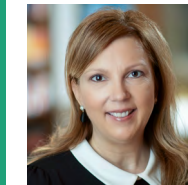
- Asset/Liability Management Committee
- Credit and Collateral Committee
  - Collateral Verification Review Sub-Committee
- Disclosure Committee
- Enterprise Risk Management Committee
- Mission Committee
- Operational Risk Oversight Committee
  - Model Risk Oversight Sub-Committee
  - Technology Risk Sub-Committee
  - Third-Party Risk Sub-Committee
- Retirement Plan Committee
- Special Situations Lending Governance Committee



**Michael A. Ericson**  
President and CEO



**Christian Claffy**  
EVP, Group Head,  
Member and Bank Operations



**Kim Cullotta**  
EVP, Group Head,  
People, Culture, and Communications



**Virxhini Gjonzeneli**  
EVP, Chief Financial Officer,  
Group Head, Financial  
Accounting and Markets



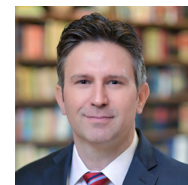
**Thomas H. W. Harper**  
EVP, General Auditor



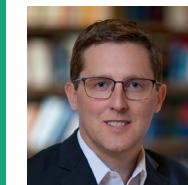
**Carolyn Jaw**  
EVP, Chief Business Officer,  
Group Head, Member and  
Community Solutions



**Mike Zeifert**  
SVP, Chief Risk Officer,  
Group Head,  
Risk Management



**Kevin Solchenberger**  
EVP, Chief Information Officer,  
Group Head,  
Information Technology



**Patrick Sullivan**  
EVP, Group Head, Mortgage  
Partnership Finance Program



**Laura M. Turnquest**  
EVP, Chief Legal Officer, General  
Counsel, and Corporate Secretary

**Community Investment  
Advisory Council**

The Community Investment Advisory Council (CIAC) of FHLBank Chicago consists of leaders from community and nonprofit organizations actively involved in providing or promoting affordable housing and/or community lending in Illinois or Wisconsin. The CIAC advises us on ways to maximize the impact of our housing finance and community investment mission. Nominations to the CIAC are accepted annually. Visit [our website](#) to see bios for the CIAC members.



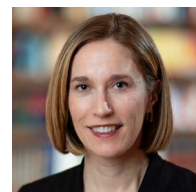
**David Porterfield**  
**Chair**  
Community Development  
Consultant – Affordable Housing  
*Hope Community Capital*



**David Doig**  
**Vice Chair**  
President  
*Chicago Neighborhood Initiatives*



**Mark Angelini**  
President  
*Mercy Housing Lakefront*



**Allison M. Clements**  
Executive Director  
*Illinois Housing Council*



**Lafayette Crump**  
Commissioner of City Development  
*City of Milwaukee*



**Kristin L. Faust**  
Executive Director  
*Illinois Housing  
Development Authority*



**Kahya Fox**  
Executive Director  
*Habitat for Humanity of the Greater  
La Crosse Region*



**Beth Haskovec**  
Director of the Office of Rural Prosperity  
*Wisconsin Economic  
Development Corporation*



**Russell D. Kaney**  
Principal  
*21st Century Communities, LLC*



**Sharon K. Legenza**  
Executive Director  
*Housing Action Illinois*



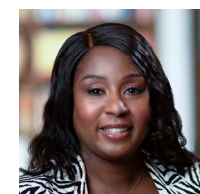
**Elmer Moore Jr.**  
Executive Director  
*Wisconsin Housing and Economic  
Development Authority*



**Julie Nelson**  
Associate Director  
*Corporation for Supportive Housing*



**Sean O'Brien**  
Principal  
*Northpointe Development*



**Idowu Odedosu**  
Executive Director  
*Stevens Point Housing Authority*



**Fern Orie**  
Chief Executive Officer  
*Wisconsin Indigenous Housing and  
Economic Development Corporation*

**Member Advisory Committees**

Our three Member Advisory Committees are comprised of representatives of member banks, credit unions and insurance company members of varying sizes across our district. We host periodic forums for members to discuss market and industry trends, review, recommend and collaborate on new product and service ideas, and provide us with suggestions and feedback. Each member is represented by a senior financial representative from their institution.

**Mortgage Partnership Finance (MPF) Governing Council**

The MPF Governing Council oversees and provides governance for the MPF Program and is comprised of representatives from all FHLBanks. It is a forum to discuss topics related to the various mortgage programs offered by all FHLBanks, including matters involving product development and supporting community lenders and their communities. The MPF Governing Council meets monthly and representatives of FHLBanks actively participating in the MPF Program have the authority to vote on MPF Program initiatives.

**MPF Advisory Council**

The MPF Advisory Council provides a national forum for mortgage professionals to share their expertise, experiences and views of real estate lending activity, general market issues affecting housing and various secondary mortgage markets issues. The MPF Advisory Council is comprised of leaders from member institutions who qualify to sell mortgages into the MPF Program from the six participating FHLBanks. They help identify the best-in-class solutions to the problems and issues encountered by community real estate lenders and how the MPF Program can better support these lenders and thereby better support their communities.



Crystal Coy, Ixonia Bank (Brookfield, Ill.), and Brandon Webb, Arkansas Federal Credit Union (Little Rock, Ark.), members of the MPF Advisory Council.

## Policies

FHLBank Chicago has implemented policies to help us serve our members and their communities with honesty and maintain their trust.

### Anti-Money Laundering, Bank Secrecy Act, and Suspicious Activity Reporting Policy

In compliance with the applicable Financial Crimes Enforcement Network regulations (31 C.F.R. Part 1030) and certain FHFA regulations, FHLBank Chicago has adopted its Anti-Money Laundering, Bank Secrecy Act, and Suspicious Activity Reporting Policy. The policy outlines our commitment to preventing, detecting and reporting suspicious activity in our business and operations.

### Anti-Predatory Lending Policy

FHLBank Chicago recognizes that predatory lending practices, including higher-priced mortgages, are inconsistent with advancing homeownership. To discourage predatory lending, we have established the [Anti-Predatory Lending Policy](#) that applies to both collateral pledged to us and mortgage loans we acquire through the MPF Program either from our own members or from members of other FHLBanks.

### Code of Ethics and Whistleblower Policy

We are committed to the highest possible standards of honesty, integrity, impartiality and conduct. The maintenance of these high standards is essential to ensure the proper performance of FHLBank Chicago's business and foster confidence in FHLBank Chicago and the FHLBank System. In an effort to ensure that both our employees and our vendors operate following these ethical standards, FHLBank Chicago has adopted the [Whistleblower Policy](#) and the [Federal Home Loan Bank of Chicago Code of Ethics](#).

### Governance and Controls Assurance Program

We are committed to building and maintaining an appropriate control environment for the risks undertaken by FHLBank Chicago and appreciate the need for members and other business partners to receive assurance on these controls. Business stakeholders can [request our Governance and Controls Assurance Program document](#) which provides an overview of our risk management, governance, and operational controls to assist them in managing their own vendor governance requirements and regulatory obligations.

### Approach to Identifying and Addressing Cybersecurity Risks

FHLBank Chicago's cybersecurity program is managed by the Chief Information Security Officer and is overseen by various management committees and the Board of Directors. The program references industry standards, such as the National Institute of Standards of Technology (NIST) Cybersecurity Framework, and FHFA regulatory guidance, we have implemented processes for assessing, identifying and managing cybersecurity risks through a layered approach throughout our environment and in our service provider arrangements.

Cybersecurity risk-mitigation processes include, but are not limited to: performing regular risk assessments to identify, understand and prioritize risks from cybersecurity threats; the implementation of firewalls, endpoint detection and response software, and real-time network monitoring; ongoing employee training to educate employees on how to identify and avoid various forms of social engineering; performing routine threat monitoring (including use of a third-party service provider monitoring) and controls testing; and maintaining a vulnerability management program to timely identify and remediate cybersecurity risks. We also regularly engage with third parties, including cybersecurity experts, to test, maintain and enhance our cybersecurity risk management practices and threat monitoring.

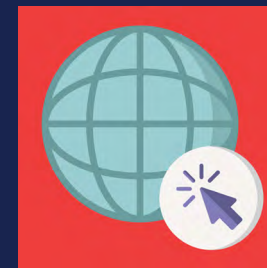
This Report reflects FHLBank Chicago's good faith effort to present our recent, ongoing and currently anticipated endeavors to support and empower our members, communities and employees. FHLBank Chicago's plans and goals are aspirational and not guarantees or promises. There can be no assurance that our programs, policies and procedures as described will continue; they could change, even materially, as they may be based on standards and approaches that are still developing, internal processes that continue to evolve or assumptions that are subject to change or that are eclipsed by new considerations or priorities. Any goals, commitments, incentives and initiatives outlined in this Report are, unless stated otherwise, purely voluntary, are not binding on FHLBank Chicago and/or its management and do not constitute a commitment regarding actual or potential positive impacts or outcomes. This Report contains statements describing our plans, objectives, targets, goals, commitments and programs in the furtherance of support of our members, communities and employees. These statements, as well as other future predictions of management, statements of belief, or any statements of assumptions underlying the foregoing, may be "forward-looking statements." These statements may use forward-looking terminology, such as "anticipates," "believes," "expects," "could," "plans," "target," "goal," "commit," "achieve," "project," "intend," "estimates," "may," their negatives, other variations of these terms, or words of similar import. Such statements are based on management's current expectations and beliefs and are subject to risk, uncertainty and changes in economic, business, competitive, regulatory and other factors affecting FHLBank Chicago, which are difficult to predict, may be beyond our control and could cause the achievement of the goals, targets and commitments reflected in this Report to vary materially from those expressed or implied by this Report for myriad reasons, including changes in circumstances, estimates that turn out to be incorrect, evolving standards of measurement, revised assumptions, or other factors. Such risks and uncertainties include the risk factors discussed in the Risk Factors section starting on page 16 of our 2025 Form 10-K, subsequent quarterly reports on Form 10-Q and other filings made with the Securities and Exchange Commission, as well as those discussed in this Report and other challenges and assumptions that we presently are unable to foresee or consider to be immaterial. These risks are not the only risks we face or that could affect us going forward. For these reasons, undue reliance should not be placed on such statements. Statements in this report speak only as of the dates they were made, and we undertake no obligation to revise or update any such statement. Certain information contained in this Report was provided by third parties including our business partners, and FHLBank Chicago is not responsible for such information, nor do we guarantee its accuracy and completeness. "Mortgage Partnership Finance", "MPF", "eMPF", "MPF Xtra", "Downpayment Plus", "DPP", "Downpayment Plus Advantage", "DPP Advantage" and "Community First" are federally registered trademarks of FHLBank Chicago.



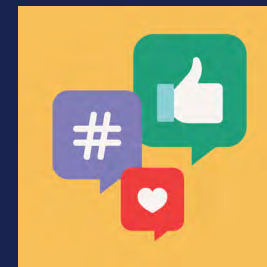
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Visit our website at **fhlbc.com**



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