

The Federal Home Loan Bank of Chicago: A Resource for Building Communities

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As a government-sponsored enterprise (GSE), the Federal Home Loan Bank of Chicago (FHLBank Chicago) is a bank for banks. While we have the same regulator and provide liquidity for housing finance like Fannie Mae and Freddie Mac, we have a broader mission and scope of services. In addition to supporting opportunities for homeownership, we also are a critical source of funding for community financial institutions, which use our products for their small business, agricultural and community development lending needs as well as for asset-liability management and general liquidity purposes. Our members include community banks, thrifts, credit unions, community development financial institutions (CDFIs) and insurance companies. We also service non-member housing associates such as the Illinois Housing Development Authority.

What does that mean to a REALTOR®?

As a real estate professional working with residential and/or commercial buyers and sellers, the more you know about financial programs the better advisor you can be to your clients. So, while you don't have to know all aspects of the FHLBank system, some knowledge of our products and services could be beneficial.

Through our community investment programs, FHLBank Chicago devotes a portion of our net income to a variety of financing and direct funding tools to support our members' affordable housing and economic development initiatives.

Here are the programs that could be most helpful for you to know:

Affordable Housing Program (AHP)

If you are a commercial practitioner who represents clients in affordable housing development, our AHP General Fund is an important program for your business. It is a competitive, forgivable grant program that our member institutions partner with for-profit and not-for-profit developers, community organizations, local governments, public housing authorities, and tribal governments



to apply for funding to subsidize the acquisition, new construction and/or rehabilitation of affordable rental or owner-occupied housing. Since the program began, we have awarded more than \$538 million in gap funding. Check our list of Illinois members (www.fhlbc.com/membership/illinois-members) to see if your finance partners are a part of FHLBank Chicago and could help fill the gap to make your projects a reality.

DPP® and DPP Advantage®

Since 2014, roughly 20,000 homebuyers have taken advantage of our downpayment assistance programming that totals to over \$142 million dollars. Downpayment Plus® provides up to \$6,000 of down payment and closing cost assistance for income-eligible homebuyers. This forgivable grant is paid on behalf of the borrower at the time the borrower closes on the mortgage with a participating FHLBank Chicago member. Downpayment Plus Advantage® is a similar program but assists income-eligible homebuyers participating in homeownership programs offered by nonprofit organizations that provide mortgage financing directly to the homebuyer. Nonprofit organizations must partner with an FHLBank Chicago member to access the funds.

Community First® Programs

These programs allow us to be more innovative and responsive to community

needs and to support our members' and community organizations' commitment to affordable housing, economic development and the health and vitality of their communities. One program that a residential REALTOR® should be aware of is our Disaster Relief Program, which offers direct relief grants to eligible homeowners and small businesses located in qualifying disaster areas. The program is available when FHLBank Chicago activates the program in response to a FEMA declared disaster in Illinois or Wisconsin. For commercial practitioners, a Community First initiative that will debut in 2022 is the Accelerate Small Business grant program. Accessed through our member institutions, these funds aim to strengthen small businesses throughout our district of Illinois and Wisconsin.

Our community investment programming, in concert with your relationships with FHLBank Chicago members, can equip you to be the trusted advisor that your clients deserve. In short, the products and services offered through members of the FHLBank Chicago are designed to increase homeownership, foster economic development and contribute to affordable housing initiatives that make Illinois a better place to call home.

To learn more, please visit fhlbc.com or reach out to Sharon Gorrell at sgorrell@fhlbc.com to discuss a presentation for your group or organization. ☎





Serving everyone in our communities, in every way we can.

At FHLBank Chicago, our Affordable Housing Program (AHP) General Fund is more than project funding, our Down Payment Plus® (DPP®) Programs are more than a credit at closing, and our Community First® Programs are more than grants. Through forward-thinking strategies and services, we're dedicated to providing solutions and resources to help increase homeownership and build communities through all our member institutions.

Visit fhlbc.com/community-investment to learn more. To access these programs please view our Illinois member list at fhlbc.com/illinois-members.



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