

Accessing Federal Home Loan Bank Programs and Capital



FHLBank System



The 11 FHLBanks are government-sponsored enterprises (GSEs) organized under an act of Congress (Federal Home Loan Bank Act of 1932).

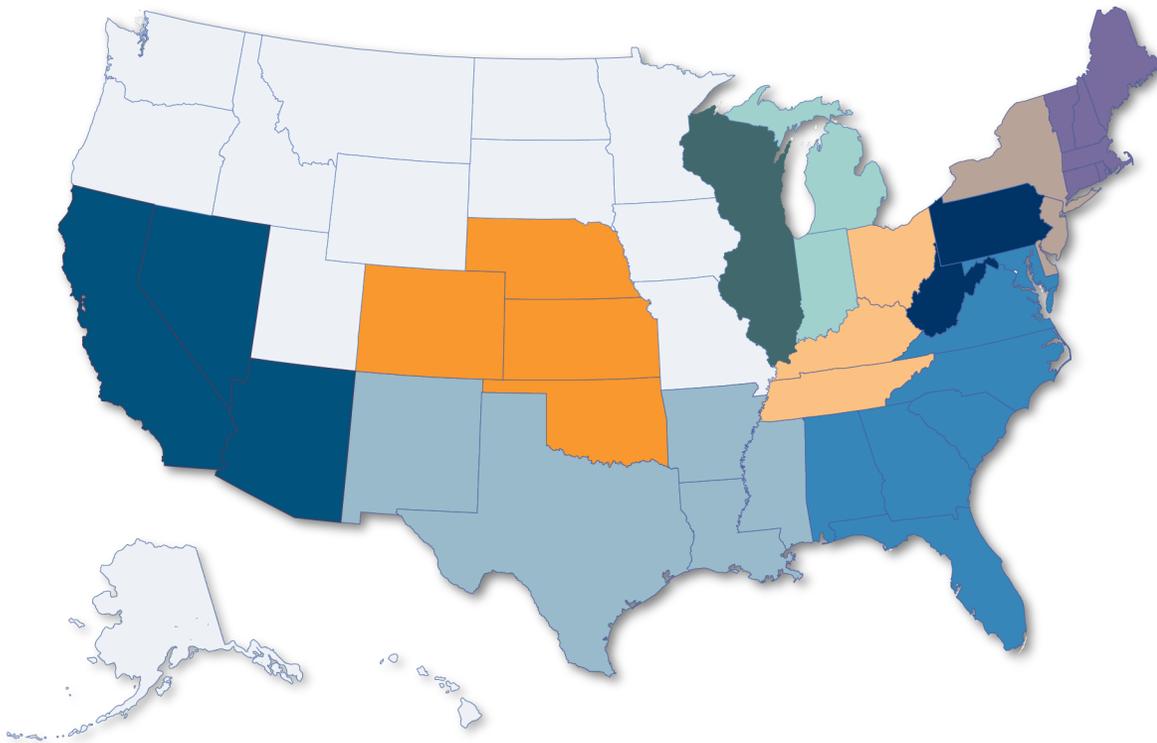
FHLBanks serve the general public by providing readily available, low-cost funding to approximately 7,000 members, thereby increasing the availability of credit for residential mortgage lending and investment in housing and community development.

FHLBanks fund their operations principally through the sale of debt securities through the Office of Finance.

Low-cost funding source supporting housing and community investment.



FHLBanks Play a Key Role in Financial Services



- The System is composed of **11** regional banks which are privately financed and owned as cooperatives by their members.
- The FHLBanks' mission is to provide reliable funding to member institutions to support housing finance and community investment.
- Our regional distribution enables each bank to focus on the distinct needs of their individual communities.
- Increase and expand the availability of funds for residential mortgage and community development lending nationwide.



FHLBanks: *Reliable Funding, Strategic Partners*



- Loans to banks and credit unions, supporting their community lending.
- Grants and subsidies for affordable housing production and preservation.
- Down payment and closing cost assistance programs for first time home buyers.
- Targeted and discounted financing for a wide range of community initiatives.



FHLBank Dallas Native American Housing Opportunities Fund

- **Purpose:**
 - The Native American Housing Opportunities (NAHO) Fund Pilot Program is designed to provide grants to Native American tribal nations, Pueblos, Native American Housing Entities and to support housing of tribal members.
- **Uses:**
 - Provide grants of up to \$150,000 to the organizations listed above to help meet the housing needs of their populations.
- **Advantages:**
 - Grants will serve the needs of tribal organizations to meet the housing needs of their underserved population.
 - This will be a dedicated source of funds for tribal housing needs offered by the Bank.
 - Provide members with an additional avenue to support the needs of tribal populations.



FHLBank Dallas Native American Housing Opportunities Fund

> **Size:**

- 2024 Total Program Allocation: \$1,000,000
- Individual Grant Size - \$50,000 to \$150,000

> **Eligibility:**

- Applications can be submitted by Federally Recognized Tribes or a Tribally Designated Housing Entity (TDHE).
- The grant awardees must provide housing services to Tribal members residing in Arkansas, Louisiana, Mississippi, New Mexico or Texas.
- Application must be submitted in partnership with an FHLB Dallas member institution.

> **Availability:**

- Application Period: 6/3/2024 - 7/12/2024
- Applications will be reviewed on a first-come, first-served basis.
- Award Announcement: 08/30/2024



FHLBank Topeka Native American Housing Initiatives (NAHI) Grants

Provides Native American Tribes and Tribally Designated Housing Entities access to grant funds intended to support housing for tribal members in our district. Grants with flexibility to apply funds for various purposes.

\$3.6 Million

Funds accessed in partnership
with FHLBank members.

Focusing on housing initiatives in Colorado,
Kansas, Nebraska and Oklahoma.



FHLBank Topeka NAHI

More about the program:

- Grants are intended to strengthen a Recipient's ability to provide housing for Native Americans.
- Funds will be deployed as grants through FHLBank member institutions.
- Maximum grant is \$500,000/ Minimum \$100,000
- Size of the grant depends on alignment with purpose of the program.
- Outcomes and impact reporting will be requested.
- Native American Housing Initiatives Grants Program.
— Federal Home Loan Bank Topeka (fhlbtopeka.com)



Members partner with an Eligible Recipient



FHLBank Topeka NAHI Grants Program



NAHI Grant Recipients (in no particular order)

NAHI Grant Recipients (in no particular order)	FHLBank Members	Amounts
Housing Authority of the Seminole Nation of Oklahoma Wewoka, OK	Security State Bank of Oklahoma	\$500,000
Absentee Shawnee Housing Authority Shawnee, OK	BancFirst	\$250,000
Comanche Nation Housing Authority Lawton, OK	Liberty National Bank	\$500,000
Ho Chunk Community Development Corporation Winnebago, NE	Charter West Bank	\$250,000
Tonkawa Tribe of Indians of Oklahoma Tonkawa, OK	First National Bank of Oklahoma	\$250,000
Housing Authority of the Cherokee Nation Tahlequah, OK	Chickasaw Community Bank	\$500,000
Omaha Tribe Housing Authority Macy, NE	Charter West Bank	\$477,932
Iowa Tribe of Kansas and Nebraska White Cloud, KS	HTLF Bank	\$272,068

Applications and Recipients:

- 13 applications totaling almost \$6 million
- 8 awards totaling \$3 million
- 5 in OK, 2 in NE, 1 in KS

Assistance NAHI will provide:

- Youth homeless shelter
- Storm shelter and community space for elders
- Strategic planning to develop housing on tribal lands
- Down payment assistance
- Home repair assistance



FHLBank Indianapolis Tribal Nations Housing Development Assistance Program

The Michigan State Housing Development Authority (MSHDA), in partnership with the FHLBank, launched the Tribal Nations Housing Development Assistance Program in January 2024 to support tribal capacity building initiatives focused on housing.

The National American Indian Housing Council (NAIHC) designing tribal housing toolkit as well as offer a training series and technical assistance to all 12 tribes.



FHLBank Indianapolis Tribal Nations Housing Development Assistance Program



Source: Central Michigan University

1. Bay Mills Chippewa Indian Community
2. Grand Traverse Band of Ottawa and Chippewa Indians
3. Match-e-be-nash-she-wish Band of Pottawatomis Indians of Michigan
4. Hannahville Potawatomi Indian Community
5. Huron Potawatomi-Nottawaseppi Huron Band of Potawatomi
6. Keweenaw Bay Indian Community
7. Lac Vieux Desert Band of Lake Superior Chippewa Indians
8. Little River Band of Ottawa Indians
9. Little Traverse Bay Band of Odawa Indians
10. Pokagon Band of Potawatomi Indians
11. Saginaw Chippewa Indian Tribe
12. Sault Ste. Marie Tribe of Chippewa Indians



FHLBank is funding up to \$3MM in grants in addition to MSHDA's \$1MM to provide flexible funding to:

- help remove barriers to program participation
- cover critical predevelopment expenses
- respond to additional capacity building needs and opportunities, and
- help bridge project financing gaps.



FHLBank San Francisco Tribal Nations Program



*FHLBSF AHEAD Program Grant – Supporting Coal-Impacted Communities
Navajo Nation & Hopi Tribe – Flagstaff, AZ
Photo courtesy of Red Feather Development Group*

- Pilot program launched in 2023 with \$1 million allocation
- Developed in consultation with tribal housing authorities, CA tribal technical assistance providers, and nonprofit housing coalitions in Arizona, California, and Nevada
- Provides funding for training and technical assistance to tribes to apply for AHP and federal and state affordable housing funding
- Funding committed to the California Coalition for Rural Housing in partnership with the Arizona Housing Coalition and Nevada Housing Coalition
- \$500,000 spent to date, remainder by end of 2024



FHLBank Chicago Diverse Developer Initiative

The Diverse Developer Initiative (DDI) provides grant funds to support career development for diverse developers of affordable housing in FHLBank Chicago's district of Illinois and Wisconsin. "Diverse" refers to any population experiencing inequitable, systemic barriers to entry or career development in the affordable housing industry.

Applications are submitted in partnership with an FHLBank Chicago member.

Eligible uses for 2023 program funds:

- Internships/Fellowships: Grant funds must be used to support compensation for internships/fellowships that provide meaningful professional experience in the affordable housing development industry.
- The target grant amount is \$50,000 to \$250,000 per beneficiary organization. Requests for other grant amounts will be considered on a case-by-case basis.
- Grant recipients are required to submit impact reporting post-award.



FHLBank Chicago Diverse Developer Initiative

- The target grant amount is \$50,000 to \$250,000 per beneficiary organization. Requests for other grant amounts will be considered on a case-by-case basis.
- Grant recipients are required to submit impact reporting post-award.
- **XXX** Grant Recipients since 2022.
- Pete King received 2023 Grant.



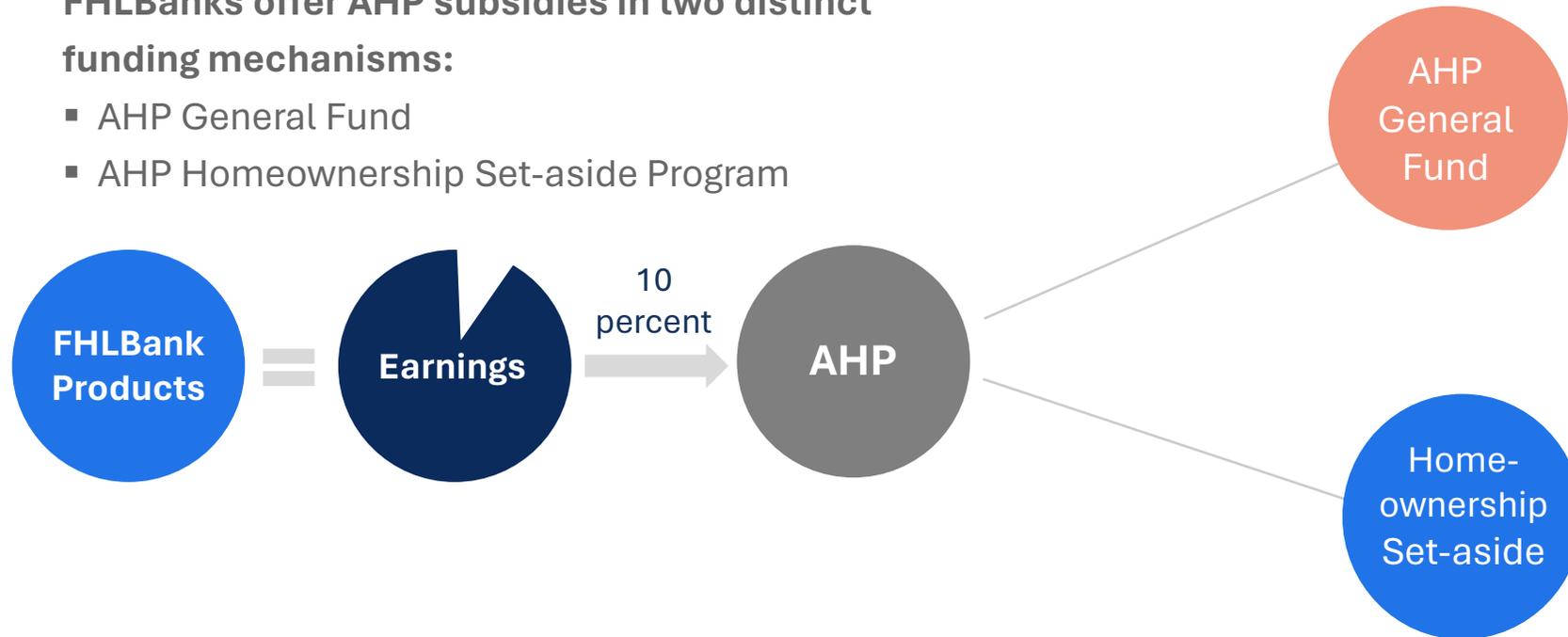
Lawndale Christian Development Corporation receiving Community First® Diverse Developer Initiative grant check alongside member First Eagle Bank.



AHP Supports Partnerships with Tribes and Lenders

FHLBanks offer AHP subsidies in two distinct funding mechanisms:

- AHP General Fund
- AHP Homeownership Set-aside Program



Minimum of 10 percent of net earnings.

Funds support homeownership, residential development and/or rehabilitation.



FHLB Des Moines Members & Funding Access

- All FHLB Des Moines members have access to Home\$start and the Native American Homeownership Initiative (NAHI).
- Funds must be used in the acquisition of a primary residence for down payment and closing cost funding.
- Funds are accessed through a participating Member who submits a reservation application to FHLB Des Moines on the Buyers behalf.

More than 400 FHLB Des Moines Members are currently enrolled to participate in Home\$start and NAHI.

- - Members are listed by their charter state but may lend in multiple states:
https://www.fhlbdm.com/webres/File/products-services/CID_DPP_Participating_Members.pdf



FHLBank Des Moines Homebuyer Eligibility

- **Home\$tart** — First time Homebuyers – households who haven't owned a home in the last three years – some exceptions apply.
- **NAHI** — Native American, Native Alaskan, Native Hawaiian. At least one adult member on the title must be:
 - Enrolled member of a U.S. federally recognized tribe
 - Member or shareholder of an Alaska Village or Regional Corporation
 - Native Hawaiian acquiring property on Hawaiian Home Lands
- **Income** — Not to exceed 80% of median
 - Established at the Enrollment Date using the greater of:
 - HUD State or County limits
 - NAHASDA (for eligible Native buyers only)
- **Purchase Ready**
 - Has a signed Purchase and Sale Agreement – purchase price does not exceed purchase price limits.
- **Homeownership Ready**
 - One household member on the loan to complete an approved homebuyer education course.



FHLBank Des Moines Home\$tart and the Native American Homeownership Initiative (NAHI)

Members have an annual cap that they may reserve up to, if the funds are available in that pool.

- 2024 Home\$tart & NAHI each have \$150,000 annual cap.

➤ **2024 Home\$tart funded at \$11,000,000 – funded quarterly**

- Grant amount per household \$15,000.
- Hawaii households grant amount \$25,000.

➤ **2024 NAHI funded at \$1,000,000 – funded quarterly**

- Maximum grant amount per household \$25,000.

Home\$tart and NAHI funds are secured with a recorded Deed Restriction/**Lease Addendum** with a term of five years, fully forgivable after the term has been met.



FHLBanks Affordable Housing Program (AHP)



White Mountain Apache Housing Authority Homes VI – Whiteriver, AZ - photo courtesy of Travois

- Used for acquisition, construction, or rehabilitation
- Completed projects are not eligible
- Restricted to households below 80% Area Median Income
- 100-point scoring system (varies by FHLBank) Tribes score well in areas such as:
 - Native Housing
 - Rural
 - Large Units (3+ bedrooms)
- Robust documentation requirements for project scoring, financials, and income



FHLBanks Affordable Housing Program (AHP)



Landmark Senior Living – Glendale AZ - photo courtesy of Native American Connections

- Annual award competition at each FHLBank
- Per project max by FHLBank
- Member and sponsor (governments, tribes and nonprofits) apply together
- Deadlines for disbursement, project completion and compliance monitoring
- Subsidy is forgiven within 5 or 15 years
- Special retention documents for tribal land that don't need to be recorded with the Bureau of Indian Affairs (varies by FHLBank)



1822 LIHTC Economic Development Business Model



- Received 2022 Tax allocation for 35 multi-family home on Trust land
- Ownership – 1822 owner
- Developer – OESC group/1822 developers
- Construction – Use MS2 Oneida subsidiary General Contractor
- Finance – utilize Bay Bank (Oneida owned)
- Oneida Comprehensive Housing Authority – vouchers-vets, low-income



Red Willow Flats

Last fall, housing partners came together for the groundbreaking ceremony of Red Willow Flats on the Oneida Nation Reservation in Oneida, Wisconsin, marking a significant step in affordable housing solutions for tribal communities in our district. This transformative affordable housing project, bolstered by a \$700,000 Affordable Housing Program (AHP) grant from FHLBank Chicago, sponsored by our member Bay Bank, highlights the power of collaboration in community development.



LIHTC Types We Considered

- 100 % Affordable/workforce housing apartment building
- Mixed use affordable/workforce housing apartment building
- Scattered site (single family rentals)
- Supportive housing
- Senior housing



LIHTC Benefits/Challenges

- Ability to leverage tribal funds into more housing
- Political – creating more housing for tribal and outside community members
- Assist in the Affordable Housing crisis
- Own the asset
- Diversifying current portfolio
- New to LIHTC process – hired LIHTC consultant
- Financial
- Political
- Not Oneida Housing Authority
- Location – didn't qualify for certain criteria – ex. our High School



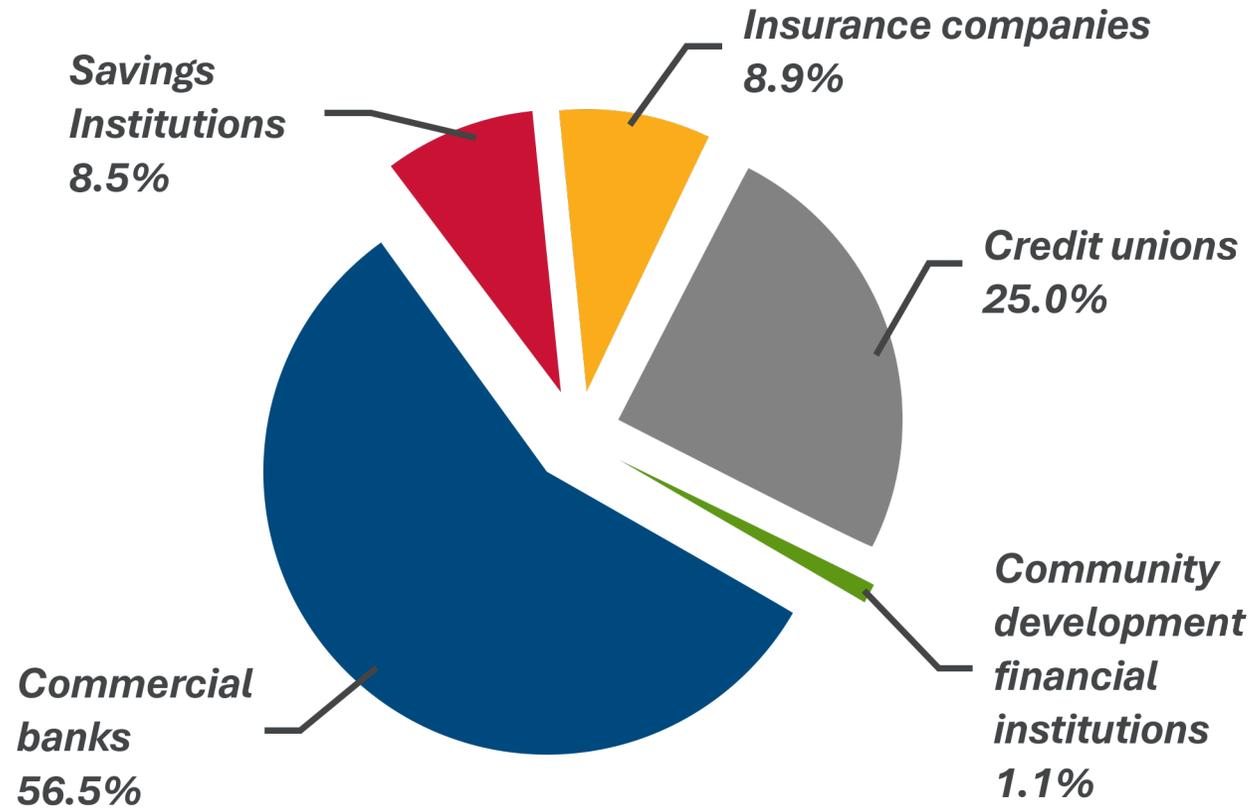
Future LIHTC Development Partners



- Other Tribal Nations and Tribal Corporations
- Urban Tribal entities
- Cities and Municipalities



FHLBank Membership Breakdown



Membership Application Requirements

In addition to completing the forms included in the Application for Membership, CDFIs must provide the following documents:

- Certification that Applicant received from the Community Development Financial Institutions Fund (“CDFI Fund”)
- Certified copy of articles of incorporation
- Copy of Bylaws
- Copies of any document evidencing authority to conduct business
- Certificate of existence and good standing from Applicant’s state of organization
- Corporate organizational chart reflecting the relationship between Applicant and any parents, subsidiaries, or other affiliates of Applicant
- Most recent audited financial statements
- Home financing policy and underwriting guidelines
- List of any established lines of credit and a copy of any security agreement that Applicant has in place with another entity
- Written justification acceptable to the Bank of how and why Applicant’s home financing policy is consistent with the FHLB System’s housing finance mission
- FHLB Dallas Legal Agreements
- FHLB Dallas Signature Cards

Mortgage-Related Assets Requirement for CDFIs: The amount of residential mortgage assets held by Nondepository CDFI applicants as of the previous year end should be equal to or greater than 5 percent of total assets.

