



Member driven.
Community focused.

Community Investment Program (CIP)

Housing Advance

Guidelines and Application



Community Investment Program (CIP) Advance Guidelines

Overview

- The CIP provides favorably priced advances to assist members in funding affordable housing in targeted communities.
- Funds are available throughout the year to support lending for housing-related programs targeted at households earning up to 115 percent of the area median income (AMI).
- All member institutions eligible to obtain advances from the Federal Home Loan Bank of Dallas (Bank) can request a CIP advance.

Uses of Funds

CIP advances can be used to:

- purchase, refinance, construct or rehabilitate individual owner-occupied housing properties that benefit families with incomes at or below 115 percent of the AMI.
- purchase, refinance, construct or rehabilitate properties involving multiple units of owner-occupied housing in which at least 51 percent of all families have incomes at or below 115 percent of the AMI.
- purchase, refinance, construct or rehabilitate rental properties where at least 51 percent of all tenants have incomes at or below 115 percent of the AMI. If refinanced, all proceeds must be used to rehabilitate the rental properties or to preserve affordability for current residents.
- purchase state housing finance agency bonds or mortgage-backed securities, representing pools of loans that could be funded directly with CIP advances.
- fund low-income housing tax credits or investments in lender consortia, provided the underlying mortgages could be funded directly with CIP advances.
- make loans to entities that in turn provide funding for eligible housing projects.
- CIP advances can also be used in conjunction with AHP, HUD, FHA, state and local governments, and secondary market agency programs.
- Members may also receive CIP pricing for standby letters of credit and confirmations that will be used to fund affordable housing for eligible households.

Program Requirements

- Community development advances (which include CIP, AHP, EDP and Disaster Relief Program advances) may not exceed, at the time the advance is approved, the lesser of 15 percent of the institution's total assets or \$200 million.
- The CIP advance must be for financing mortgage loans that have closed in the past 3 months or will close within 3 months from the date of the commitment.
- CIP advances must be used to fund financing to the borrower or project.
- The term of the CIP advance cannot exceed the term of any financing extended to the borrower.



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Application Process

- Members must agree to comply with the Community Investment policies and procedures established by the Bank. Upon approval of the application, disbursement of funds is subject to the credit, capital stock, and collateral requirements of the Bank.
- Complete applications and supporting documentation should be emailed or faxed to the following:

Member Services Desk

Email: Member.Services@fhlb.com

Fax: 214.441.8514

For additional information or questions regarding qualification, please contact the Bank's Member Services Desk at 844.345.2265, or visit our website at fhlb.com.

- A copy of the original note must be submitted to the Bank prior to funding.



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CIP Advance Application

Member Institution

Name: _____ FHFA ID #: _____

Mailing Address: _____

City: _____ State: _____ ZIP: _____

Contact Person: _____ Title: _____

Phone: (_____) _____ Fax: (_____) _____ E-mail: _____

Purpose of Advance Request (Please check all that apply):

- Land development
- Mortgage-backed securities or revenue bonds
- New construction
- Letter of Credit
- Acquisition
- New or Renewal
- Rehabilitation/Home Improvement
- Other _____
- Refinance (existing properties)

Equity: ____% Rehab: ____%

Please indicate if project objective will be owner-occupied housing or rental housing:

- Owner-Occupied Housing
- Rental Housing

Please indicate if project will be owned 100% or if it will be part of a participation with other banks:

- Owned
- Participation

BANK USE ONLY

CSS Eligibility Verified Commitment \$: _____ Rate (%): _____

Outstanding Community Development advances \$: _____ CICA (%): _____

Total assets: \$ _____ Approved: _____ Date: _____

Rate to Borrower: _____



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Owner-Occupied Properties:

Property Information:

Project Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

County: _____ Congressional District: _____

Total Units: _____ Household Income: _____

Individual units of owner-occupied housing must benefit households with incomes at or below 115 percent of the AMI.

Multiple units of owner-occupied housing must benefit households where at least 51 percent of the households have incomes at or below 115 percent of the AMI.

Loans to be closed - Loans must be originated within 3 months of the commitment date. Please indicate the number of households with income at or below 115% of the AMI:

80% AMI _____ **100% AMI** _____ **115% AMI** _____

Closed Loans - Loans must have closed within three months. Please indicate the loan origination date, mortgage rate, and the number of households with incomes at or below 115% of the AMI:

80% AMI _____ **100% AMI** _____ **115% AMI** _____

Loan Origination Date: _____ **Mortgage Rate:** _____

Project Description: Please provide a concise description of the project:

Rental Properties:

Property Information:

Project Name: _____

Street Address: _____

City/State/ZIP: _____

County: _____ Congressional District: _____

Project Qualification: Loans for rental projects must have closed in the last 3 months or will close within 3 months of the commitment date. Please indicate the number of households where at least 51 percent of the tenants have incomes at or below 115 percent of the AMI:

80% AMI _____ **100% AMI** _____ **115% AMI** _____

Loan Origination Date: _____ **Total units:** _____

Project Description: Please provide a concise description of the project:

Advance Structure:

- CIP advances are available on a fixed-rate, fixed-term, amortizing or nonamortizing basis for maturities of three months to 40 years.
- Standby Letters of Credit and confirmations are also available to assist with home financing.
- CIP advances will be priced below the Bank's standard advance rates for comparable maturities. Community development advances (which include CIP, AHP, EDP, and Disaster Relief Program advances) may not exceed, at the time the advance is approved, the lesser of 15 percent of an institution's total assets, or \$200 million.
- CIP advance commitments are issued for optional funding without commitment fees (for up to 3 months). A commitment fee is required for a rate guarantee longer than 3 months.
- CIP advances must be used to permanent financing to the borrower or project.
- The term of the advance cannot exceed the term of any financing extended to the borrower.

Certification:

Please indicate the following:

Advance Type: Fixed or Floating Letter of Credit
 New or Renewal

 Amortizing or Nonamortizing

Amount: \$ _____ Term: _____ Balloon: _____

Closed Loan: Yes No Loan Origination Date: _____

If loan has closed, a copy of the original note must be submitted with the CIP application.

Advance will be used to fund projects which have closed in the past 3 months, or which will close within 3 months from the date of the commitment.

Special Instructions or Terms (i.e., floating with the one-month LIBOR index on the 25th of each month):

In order to lock in the current day's interest rate on a given business day, (1) you must submit your completed application for an Advance no later than 2 p.m. C.S.T, and (2) once your application for an Advance has been deemed complete and approved, you must speak with someone in our Member Services department by 4 p.m. C.S.T. If either of these is not met, the Bank will make reasonable efforts to lock in the current business day's interest rate, but that rate will not be guaranteed. As used herein, "business day" shall mean any Monday, Tuesday, Wednesday, Thursday, or Friday on which the Bank is open for business.

The undersigned Stockholder hereby applies for a commitment for advance, pursuant to and subject to the terms of the previously executed ADVANCES AND SECURITY AGREEMENT as well as the MEMBER PRODUCTS and CREDIT POLICY and the ADVANCES PRODUCTS GUIDE of the Bank in effect at time of disbursement. Upon approval, the Bank will communicate such approval which will confirm the type(s) of advance(s) approved, the term(s) of repayment, the interest rate and any other pertinent terms and conditions. If it is determined this advance is out of compliance, the interest rate will be converted to the current market rate at the time the project is deemed out of compliance for the remaining term.

The undersigned, an authorized representative of the member institution, certifies that the funds made available to the member institution through the Community Investment Program were used to benefit targeted beneficiaries and the use of the funds is consistent with the Community Investment Program application approval by the Federal Home Loan Bank of Dallas. Member hereby certifies that the project as described in the application meets the respective targeting requirements of the program. Member further certifies that if there are any substantial changes to the project, the member will promptly notify us of the change(s) and how the project continues to meet the respective targeting requirements of the program.

Signature

Name (print/type)

Date