



FEDERAL HOME LOAN BANK OF DALLAS

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 their communities.
- Funds are available throughout the year to support lending for housing-related programs targeted to 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 make a CIP advance request.

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. For refinancing any equity proceeds of the refinancing 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 lend 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

- The applicant must be a member of the Bank.
- 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.

- Members must meet the Bank's standard capital stock and collateral requirements.
- Members must use their own underwriting criteria.
- Members must agree and limit their rate mark-up to 300 basis points on owner-occupied development and 400 basis points on rental development.
- The CIP advance must be for financing for mortgage loans that have closed in the past 90 days or that will be originated in the next 180 days from the date of the commitment.
- CIP advances must be used to fund permanent financing to the borrower or project.
- The term of the CIP advance cannot exceed the term of any permanent financing extended to the borrower.

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.

Reporting Requirements

- A transaction verification form is required from the member institution within 30 days of funding.
- If applying for **mortgage-backed securites**, the following items must be submitted within 90 days of receipt of the advance:
 - Borrower incomes
 - Counties
 - Totals for each pool
 - Rate charged
 - Loan amounts
- Periodic written status reports to the Bank may be required.
- On-site visits by Bank staff to observe funded projects may also be scheduled.
- Complete applications and supporting documentation should be mailed or faxed to the following:

Federal Home Loan Bank of Dallas
Member Sales Group
 P.O. Box 619026
 Dallas, Texas 75261-9026

Fax: 214.441.8551

For additional information or questions regarding qualification, please contact the Bank's Member Sales Group at 800.442.9841, or visit our website at fhlb.com.



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):

- | | |
|--|--|
| <input type="checkbox"/> Land development | <input type="checkbox"/> Mortgage-backed securities or revenue bonds |
| <input type="checkbox"/> New construction | <input type="checkbox"/> Letter of Credit |
| <input type="checkbox"/> Acquisition | <input type="checkbox"/> New or <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Rehabilitation/Home Improvement | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> 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

* (Please see "Reporting Requirements," page 3.)

BANK USE ONLY

CSS Eligibility Verified Commitment \$: _____ Rate (%): _____
Outstanding Community Development advances \$: _____ CICA (%): _____
Total assets: \$ _____ Approved: _____ Date: _____
Rate to Borrower: _____

OWNER-OCCUPIED PROPERTIES

- **Please provide a listing of proposed loans**, including the name of the borrower and county name or MSA. Household income mortgage rates will be required either at the time of application or within 30 days from the time the member initiates a loan, in accordance with the guidelines noted below.

Project Name: _____ Census Tract: _____

Street Address: _____

City: _____ State: _____ County/MSA: _____

Total Units: _____ Household Income: _____ Mortgage Rate: _____

Congressional District: _____

Individual units of owner-occupied housing must benefit families 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 - Anticipatory financing for mortgage loans is needed, to be originated during the next six months to individual homeowners whose household incomes are at or below the following AMIs (please indicate number of units at or below):

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

Closed Loans - Financing is required for mortgage loans to individual homeowners whose loans have closed in the last 90 days. Please indicate the mortgage rate as well as the number of household incomes at or below 115% of the AMI:

Mortgage rate: _____

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

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

RENTAL PROPERTIES

- **Property Information:** Please provide the following:

Project Name: _____

Street Address: _____

City/State/ZIP: _____

Congressional District: _____ Census Tract: _____

- **Project Qualification:** In order to qualify for advance funds, financing for the rental project must have closed in the past 90 days or will be closed within the next six months, and the rental project must benefit households where at least 51 percent of the tenants have incomes at or below 115 percent of the AMI.

Please indicate the number of units at or below **80% AMI** _____ **100% AMI** _____ **115% AMI** _____

Origination Date: _____ Total units in project: _____

- **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 30 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, AHD, 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 6 months). A commitment fee is required for a rate guarantee longer than 6 months.
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CERTIFICATION

- **Please indicate the following:**

Advance Structure: Fixed or Floating Fixed-rate standby line of credit
 Amortizing or Nonamortizing Letter of Credit
 New or Renewal
 Balloon (# of years, months, or days: _____)

Amount: \$ _____ **Term** (# of years, months, or days): _____ **Funding Date:** _____

- **Yes** **No** Members agree and must limit their mark-up to 300 basis points on owner-occupied development and 400 basis points on rental development.
- **Special Instructions or Terms** (i.e., floating with the one-month LIBOR index on the 25th of each month):

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 in writing, 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.

Signature

Name (print/type)

Date

Please provide application and all required information to:

Federal Home Loan Bank of Dallas
Member Sales Group
P.O. Box 619026
Dallas, Texas 75261-9026
Fax: 214.441.8551

For more information, please contact the Member Sales Group at 800.442.9841. An application and instructions may also be downloaded from the Bank's website at fhlb.com.