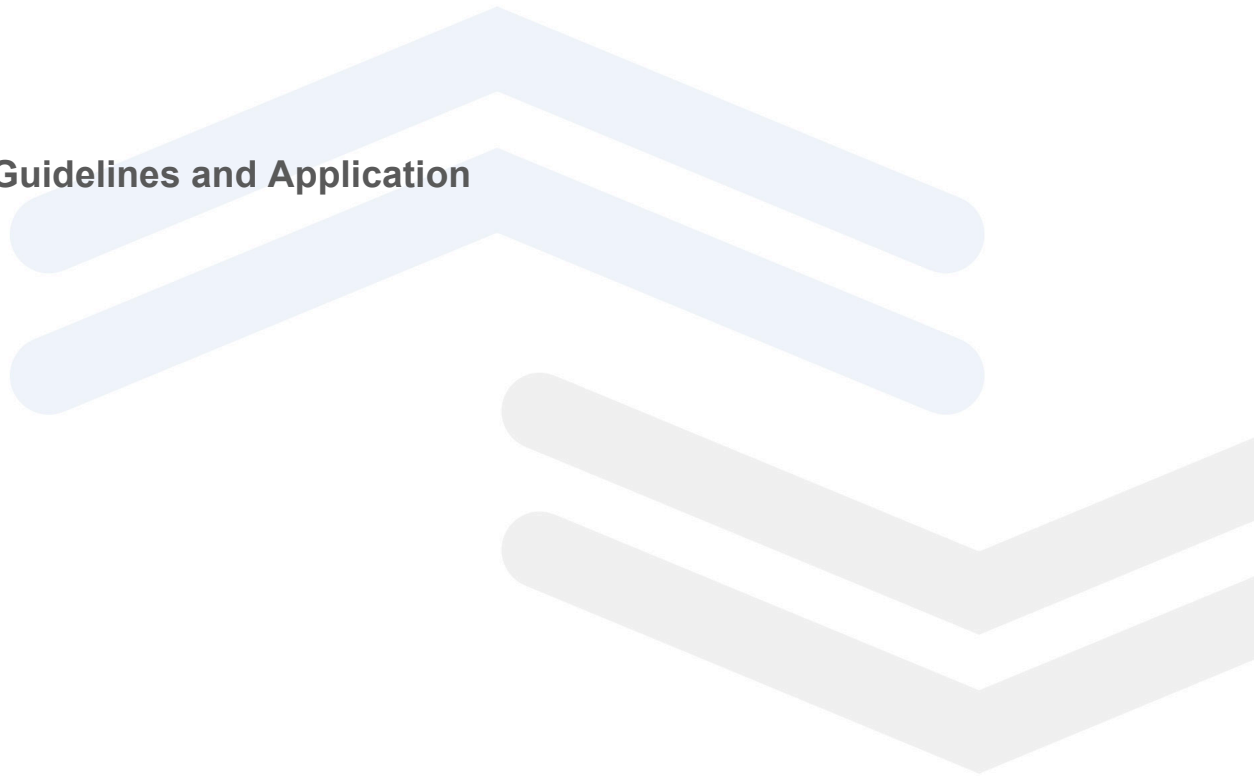




Member driven.
Community focused.

Economic Development Program (EDP) Community Lending Advance

Guidelines and Application



Economic Development Program (EDP) Advance Guidelines

Overview

- The EDP provides favorably priced advances to assist members in funding economic development projects and community revitalization in targeted communities.
- EDP funds are available throughout the year to support lending for economic development-related projects, qualified by location, income, or services or activities rendered.
- All member institutions eligible to obtain advances through the Federal Home Loan Bank of Dallas (Bank) can make EDP advances.

Uses of Funds

- **Uses for EDP advances include:**
 - Construction
 - Small business financing
 - Water/Wastewater infrastructure financing
 - Civic Centers
 - Historic preservation
 - Hospitals
 - Acquisition
 - Rehabilitation
 - Refinancing
 - Capital improvement
 - Public works projects
 - Industrial facilities
 - Social services facilities
 - Nursing homes
 - Letters of Credit
- EDP advances can also be used to purchase **participations** or provide financing to participate in a loan consortium for EDP-eligible economic development projects; or
- To make loans to **third-party** entities that in turn lend for EDP-eligible economic development projects; or
- To purchase mortgage revenue bonds or **mortgage-backed securities (MBS)**, when all of the loans financed by the bond and all of loans backing the securities meet EDP requirements.
- EDP advances can be used to fund qualified projects that have closed in the past 3 months or will close within 3 months from the date of commitment.
- EDP advances must be used to fund financing to the borrower or project.

Program Requirements

- **Qualifying projects must meet at least one of the following criteria:**
 - Project is located in a neighborhood in which the majority of households have incomes at or below the qualifying percent of the area media income (AMI):
 - Project is located in an urban area (population > 25,000 in which the average family income is at or below 100 percent of the AMI.
 - Project is located in a rural area (population < 25,000) in which the average family income is at or below 115 percent of the AMI.
 - Project in which at least 51% of annual salaries created or returned by the project are at or below 80% of the AMI.
 - Services will be provided from the finished project that will benefit at least 51% of households with incomes at or below 80% of the AMI.
 - Project qualifies as a small business as defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.
 - Project qualifies as an other targeted beneficiary as approved by the Finance Agency.
- **Projects may automatically qualify if they are located in one of the following target areas:**
 - Federal Enterprise Community
 - Federal Empowerment Zone
 - Native American area
 - Area affected by the Community Adjustment and Investment Program (CAIP)
 - An area eligible for a federal Brownfield Tax Credit
 - Federal or approved state disaster area
 - Area affected by a federal military base closing

Community development advances (which include EDP, CIP, AHP and Disaster Relief Program advances) may not exceed, at the time the advance is approved the lesser or 15 percent of an institution's total assets, or \$200 million.

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.
- A copy of the original note must be submitted to the Bank prior to funding.
- Complete applications and supporting documentation should be emailed or faxed to the following:

Member Services Desk
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 the Bank's website at fhlb.com.





Member driven.
Community focused.

EDP Advance Application

Member Institution:

Name: _____ FHFA ID #: _____ Date: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Phone: (____) _____ Fax: (____) _____ Email: _____

Type of Project (Select One):

- | | |
|---|--|
| <input type="checkbox"/> Small Business Financing | <input type="checkbox"/> Industrial Facility Development |
| <input type="checkbox"/> Nursing Home/Healthcare Facility | <input type="checkbox"/> Civic Center/Social Services Facility |
| <input type="checkbox"/> Hospitals | <input type="checkbox"/> Letter of Credit |
| <input type="checkbox"/> Public Works/Wastewater Infrastructure | <input type="checkbox"/> New or <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Historic Preservation | <input type="checkbox"/> MBS or Revenue Bond |
| <input type="checkbox"/> Other _____ | |

Purpose of Advance Request:

- | | | |
|---|--|--------------------------------------|
| <input type="checkbox"/> New Construction | <input type="checkbox"/> Rehabilitation | <input type="checkbox"/> Acquisition |
| <input type="checkbox"/> Refinancing | <input type="checkbox"/> Capital Improvement | |

BANK USE ONLY

<input type="checkbox"/> CSS Eligibility Verified	Commitment \$: _____	Rate (%): _____
Outstanding Community Development advances	\$: _____	CICA (%): _____
Total Assets: \$ _____	Approved: _____	Date: _____
Rate to Borrower: _____		

Property Information:

Name of Project: _____
 Street Address: _____
 City/State/Zip: _____
 Census Tract: _____ Congressional District: _____
 County: _____

Required Information:

Jobs Created: _____ # Jobs Retained: _____ Total Development Cost: _____

Project Description:

Please provide a concise description of the project:

Project Qualifications (Select One):

Project is located in one of the following target areas* (automatic qualifications for EDP funds):

- | | |
|---|--|
| <input type="checkbox"/> Federal Enterprise Community | <input type="checkbox"/> CAIP Area |
| <input type="checkbox"/> Federal Empowerment Zone | <input type="checkbox"/> Brownfields Tax Credit Area |
| <input type="checkbox"/> Native American Area | <input type="checkbox"/> Federal or approved State Disaster Area |
| | <input type="checkbox"/> Military Base Closing Area |

**Please see attached "Definitions" for additional detail. No income restrictions apply.*

- Targeted Income:** Project is located in a neighborhood in which the majority of households are at or below 100 percent the quality percent of the AMI.
- Project is located in an **urban area** (population >25,000), where household incomes are at or below 100 percent of the AMI; or
- Project is located in a **rural area** (population <25,000), where household incomes are at or below 115 percent of the AMI.
- Qualified Wages:** At least 51 percent of project employees have incomes at or below 80 percent of the AMI
- Targeted Services:** At least 51 percent of the families who benefit from or are provided services by this project have incomes at or below the targeted income level.
- Small Business (not subject to income limits):** Project qualifies as a Small Business as defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.

Other Targeted Beneficiary (approved by the Finance Agency): _____

Advance Structure

- EDP 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 economic development financing.
- EDP 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.
- EDP 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.
- EDP advances must be used to fund financing to the borrower or project.
- The term of the advance cannot exceed the term of any permanent financing extended to the borrower.

Certification

- **Please indicate the following:**

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

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 EDP 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):

If project qualifies as a small business, please affirm below.

Yes No The member institution and the small business owner agree that the small business qualifies as a small business as defined by Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.

Yes No This small business is a legitimate business operating primarily within the United States or making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor.

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 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.

The undersigned, an authorized representative of the member institution, certifies that the funds made available to the member institution through the Economic Development Program were used to benefit targeted beneficiaries and the use of the funds is consistent with the Economic Development 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

Definitions

Brownfields:	Abandoned, idled or underused industrial and commercial property where expansion or redevelopment is complicated by real or perceived contamination. These areas are eligible for the Brownfield Tax Incentive Deduction.
CAIP Areas:	Community Adjustment and Investment Program area (CAIP) as defined under 22 U.S.C. 290m-2. Areas with a significant number of lost jobs as a result of NAFTA. These communities receive financial and technical assistance from USDA and SBA.
Enterprise Community (EC)/ Empowerment Zone (EZ):	Designated by USDA ¹ (rural) or HUD ² (urban). The community applies for designation based on four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change. In addition to tax benefits and grants, these communities receive special consideration for and assistance from federal programs.
Indian Area:	As defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 ct. seq.), Alaskan Native Village, or Native Hawaiian Home Land.
Military Base Closing:	Areas affected by military closings (as defined by the Department of Defense at 32 CFR part 176).
MSA:	A Metropolitan Statistical Area as designated by the Office of Management and Budget.
Neighborhood/Community:	A census tract or block numbering area; a unit of local government with a population of 25,000 or less; a rural county; or a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood that is within the boundary of, but does not encompass the entire area of a unit of general local government.
Other Qualifying Area:	Other areas designated for targeted economic development area that qualifies for assistance under another federal or state targeted economic development program with prior approval of the Bank.
Small Business (SBA):	A “small business concern,” as that term is defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.

¹ USDA - U.S. Department of Agriculture

² HUD - Department of Housing and Urban Development