

PARTNERSHIP THAT PAYS – THE COMMUNITY DIVIDEND

2021 TARGETED COMMUNITY LENDING PLAN



Contents

1: Background.....	2
2: Market Needs Assessment	3
3: Marketing, Outreach and Training.....	6
4: Affordable Housing Program (AHP).....	8
5: Homeownership Initiatives (Set-aside Programs).....	9
6: Community Investment Cash Advance Programs (CIP)	9
7: Elevate (Small Business Grant Program).....	9
8: Community Support Program	10
9: 2021 AHP Implementation Plan	10
10: 2020 Goals and Accomplishments	10
11: 2021 Goals	12

1: Background

The CICA Regulation, 12 C.F.R. Part 1292, requires each FHLBank to develop a Targeted Community Lending Plan. This plan is approved by the FHLBank’s board of directors and requires each FHLBank to:

1. conduct market research in its district;
2. describe how it will address the identified credit needs and market opportunities;
3. consult with its Advisory Council, members, non-member borrowers, and public and private economic development organizations in its district;
4. identify and assess any specific affordable housing needs addressed through the option of Targeted Funds; and
5. establish quantitative community lending performance goals.

The CICA regulation defines “community lending” as “providing financing for economic development projects or activities for targeted beneficiaries.” The Federal Home Loan Bank of Indianapolis (“FHLBank Indianapolis”) 2021-2023 Strategic Plan, the 2021 Affordable Housing Program Implementation Plan, and this plan will provide a comprehensive approach to serving our members using all of the FHLBank Indianapolis’s products and services.

On November 20, 2018, the Federal Housing Finance Agency (“Finance Agency”) issued a final rule amending the affordable housing program regulation. (“Final Rule”). The Final Rule amends the Community Support Requirements to require an annual Targeted Community Lending Plan that, in addition to the requirements listed above, also describes how the FHLBank addresses identified significant affordable housing needs in its district through its Affordable Housing Program (“AHP”).

The Strategic Plan focuses on four significant business activities for progress that are designed to deliver results while carefully balancing our risk appetite: promoting advances, managing capital, promoting MPP solutions, and promoting communities. This approach is highlighted in our mission as follows.

Mission

Our core mission is to provide a reliable source of liquidity to member banks, credit unions, community development financial institutions, and insurance companies to support housing finance, asset-liability management, and community lending. We also help communities and families through grants and low-cost loans to our members that help support affordable housing and economic development initiatives.

Significant Business Activities

Promote Advances: Provide members with a reliable and competitive source of funding for housing finance, community lending, asset-liability management, and liquidity.

Promote MPP Solutions: Provide an attractive and efficient secondary market outlet for members to sell their mortgage loans that enhances their balance sheet liquidity, creates additional member income, and reduces their interest rate risk.

Manage Capita and Balance Sheet: Create value for members by simultaneously meeting their funding needs, providing an attractive return on their stock investment, and prudently managing our financial risk profile.

Promote Communities: Provide funding to assist low- to moderate-income families obtain affordable housing and to support economic growth and employment within local communities.

2: Market Needs Assessment

Survey Background and Marketing Efforts

Each year, the Federal Home Loan Bank of Indianapolis (FHLBI), which serves Indiana and Michigan, conducts a community lending survey to identify familiarity with, participation in, and barriers to participation in community development programs, and to identify areas of need in the communities served by the responding organization. For the past several years, FHLBI has partnered with the Indiana Association for Community Economic Development (d/b/a Prosperity Indiana) and the Community Economic Development Association of Michigan (CEDAM). The survey was available from August 3, 2020, to August 21, 2020, in two forms: one for FHLBI members and one for non-members. Prosperity Indiana and CEDAM distributed the online survey via a link in emails and social media communications to their members, many of whom are not FHLBI members. FHLBI separately distributed the link to the member survey to their contact list.

Respondents

Overall, there was a slight decline in participation in both the member and non-member survey in comparison to 2019 and previous years. A total of 22 individuals participated in the member survey. Sixty-four (64) percent were from Michigan and 36 percent were from Indiana. Most respondents were “Commercial Bank & Thrift” and “Credit Union” financial institutions. Seventy-three (73) percent responded that they are “Familiar with FHLBI and have applied to their grant programs.”

Of the 169 participants in the non-member survey, 65 percent were from Indiana and 35 percent were from Michigan. The most common types of businesses and organizations represented by respondents were “Other” (25%), “Non-profit affordable housing developers” (22%), “Community-based or neighborhood-based organizations” (18%), and “Government entity or housing authority” (15%).

Local Market Need Results

In both the member and non-member survey, respondents were asked for their input on critical housing needs, mixed-income and preservation developments, issues facing homeowners and renters, and overall economic development challenges.

Critical Housing Needs

Survey respondents were asked to rank the most critical housing needs in their community service area. Members identified affordable homeownership opportunities as the number one critical housing need, followed by affordable rental housing for 80% AMI and affordable rental housing for extremely low income at 30% AMI. Non-members also ranked affordable rental housing for households below 80% AMI, and rental housing for extremely low income at 30% AMI or below and affordable homeownership opportunities as the top three needs in their communities.

Survey respondents were also asked to rank the top critical housing needs specific to both homeowners and renters. For critical housing needs faced by homeowners, members and non-members agreed that the lack of affordable housing stock (for 80% AMI or below) was the top issue. Member respondents indicated that many homeowners are unable to afford the down payment and/or closing costs associated with buying a home. Non-members also identified another homeowner challenge as an inability to afford to make needed home repairs. Both member and non-member survey respondents ranked the top challenge for renters or potential renters as “lack of affordable rental

CHALLENGES FACING RENTERS



CHALLENGES FACING HOMEOWNERS



stock.” Members also identified that affordable rentals are too small to meet renters’ needs, while non-members said general disrepair of rental stock was a concern.

Although members and non-members did not provide consistent answers across the overall impacts of COVID, they did agree that the most critical housing challenges that will be exacerbated by the pandemic include eviction prevention, foreclosure prevention and provision of rental subsidies.

Development Project Priorities

Survey respondents were asked about preservation projects and mixed-income developments. Members were not as sure as to which type of preservation projects were most needed in their communities, but non-members identified the acquisition and/or rehab of affordable housing as the top need for preservation projects. There was a notably striking difference in response between non-member and members regarding mixed-income developments, with 80 percent of non-member participants that saw a need for mixed-income developments, while only 38 percent of member respondents believed there was a need.

Economic Development Challenges

Survey respondents were asked to rank the economic development challenges that are most affecting the communities they serve. Both member and non-member’s top three-ranked responses included job creation, attracting new businesses, and retaining businesses. Survey respondents from Michigan cited job creation as the top-ranked challenge, while Indiana respondents identified attracting new businesses.

NON-HOUSING CHALLENGES



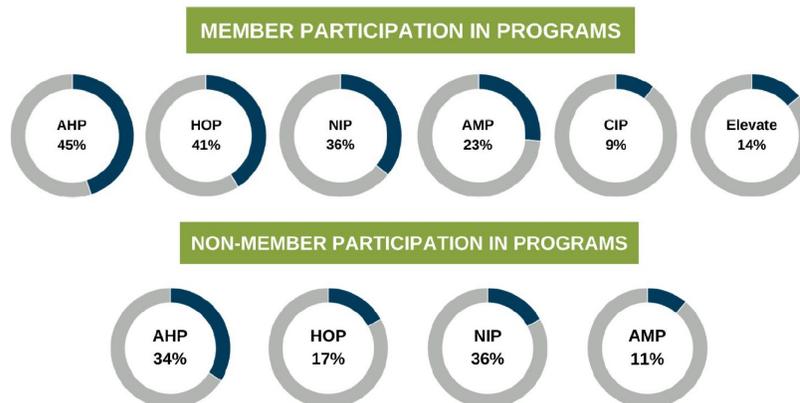
Member Community Lending Needs

Members were also asked to rank the most important community lending needs for the area they serve. The highest-ranked response was “mortgages” followed by “small business lending” and “personal loans.”

FHLBI Community Investment Product Feedback

A resounding majority (73%) of member respondents were not only familiar with FHBLI but had applied to FHLBI’s grant programs. Most non-member respondents had at least some familiarity with FHLBI. However, knowledge of FHLBI grant programs varied greatly. Also, non-members often indicated that they were not in the business of assisting homeowners, which limited the applicability of the programs and therefore their insights.

In terms of program utilization, AHP, NIP and HOP were the most popular, with participation– at approximately 50 percent of respondents. Michigan respondents had more familiarity with FHLBI’s programs, but Indiana respondents indicated a higher usage of the programs. Common barriers for participation across all FHBLI programs included lack of knowledge about the program(s), inadequate capacity, the time commitment to complete a project, and deadlines.



Affordable Housing Program

Overall, members appear to participate in the AHP for a variety of different reasons including: they had financing in the project, they were interested in the CRA credit, they believed in the mission of the credit and/or had a strong relationship to the borrower. The number one reason indicated by members of why they are not involved in the AHP program is because they do not have an available team member identified for the program. Non-members identified that the biggest challenges of the AHP program include project scoring challenges, applications and funding timeline delays and aligning feasibility guidelines to underwriting criteria to other funders. Members mentioned that reducing the amount of paperwork needed to apply and/or having a dedicated staff person to maintain program knowledge would make the AHP program more appealing.

Homeownership Set-Aside Programs

Members indicated they participated in HOP, AMP and NIP because they believe in the mission of the program, it is a priority of the organization and/or for the CRA credit. The number one reason why members are not participating in set-aside programs is because they do not know enough about the program. Non-members also identified that the HOP program presents challenges due to the timeline not being aligned with homeowner need. They also indicated the NIP program presents challenges due to the time commitment needed to submit an application and the AMP program presents challenges due to learning all of the program requirements. Members believe that the way to make the set asides more appealing is to have a dedicated team member to maintain program knowledge, require less paperwork to submit application, and overall reduce the reporting requirements.

Community Investment Program (CIP) Advance

A small percentage of Member respondents (9%) indicated they had participated in CIP previously with the number one reason for doing so was it provided a competitive advantage over competitors. The remainder of Member respondents indicated they have not used CIP in the past and the primary reason is because they do not know enough about the program and it currently is not a priority of their organization. Thirty percent indicated they do not have enough training support to participate in the program. Members indicated CIP would be more appealing to use if they had a dedicated staff person to maintain program knowledge, there was less paperwork to submit an application and less time commitment to maintain program compliance.

Elevate

Members indicated they participated in the Elevate program because they believe in the mission of the program, were interested in new business and it was a priority of the organization. Members that have not participated in Elevate indicated they did not know enough about the program as the biggest challenge. Member responses indicate that reducing the time commitment to submit applications and having a dedicated staff person to maintain program knowledge would help make participation more appealing.

Additional Community Investment Needs

Both members and non-members were asked about other types of community investment funding that they would be interested in seeing FHLBI provide. Both members and non-members identified microlending as one of the top three potential sources of funding that they would be interested in. Members also identified that working capital for small businesses would be of interest, whereas non-members would be interested in operational funding for non-profits and pre-development funding.

Detroit Focus Groups

In addition to FHLBIs annual surveys, CID staff also conducted two focus groups to understand challenges and opportunities specific to Detroit. Both focus groups were held in September 2020 in a virtual format for 90 minutes.

AHP Developer Focus Group

An AHP developer focus group was conducted in order to gain a better understanding of the challenges and opportunities that Detroit-based projects face when considering an FHLBI AHP application. Six affordable housing developers participated, all of which have completed or are completing projects in the city. The majority of developers had constructed a

project over 50 units, half were non-profit developers, half represented minority-led development teams, and one participant was out of state. All but one developer had previously applied for AHP funding from FHLBI.

Developers had specific insight related to relationships with member banks, the application process, as well as scoring feedback. Developers identified that a major challenge in Detroit is that there are very few FHLBI members in the area and typical financiers in large scale Detroit deals are not FHLBI members. Developers appreciated several components of the application process including the two-step application round, as well as the available statistics of the prior year’s award winners. They indicated that the AHP application takes the same time as a LIHTC application to complete and submit, which the LIHTC is for a significantly larger amount of subsidy. They also had a series of suggestions and feedback around several categories, including donated land, non for profit requirements, empowerment, and member participation. New scoring category suggestions included leveraged funding, certified MBE and WBE development organizations, mixed-income incentives and in-district points. Developers mentioned that it was helpful to have an FHLBI staff person in Detroit to consult on and discuss projects. They also mentioned there were specific challenges for minority and emerging developers and their ability to form relationships with financial institutions.

Member Homeownership Initiatives (Set-asides) Focus Group

A member focus group was conducted to gain a better understanding as to what challenges are specifically present with the Homeownership Initiative programs when working with Detroit residents, best practices gained, and what type of role community partners play in helping members move applications forward. Five participants were present, representing three different member banks active in the set-aside programs for Detroit residents.

Members provided constructive feedback on creating a more user-friendly application for residents, small fixes to the .GIVES platform, creating checklists to help members and community partners, and on how to improve collecting supporting documentation. Members suggested that FHLBI staff ask for feedback from members/partners when making updates to the application. Members also mentioned that funding amounts are often lower than repair costs. Members are in favor of member pool allocation, more lead time prior to round opening, and setting a consistent date of opening the round. They mentioned how critical community partners are to the application process, and the need for external program materials for these partners so that they can better understand the program and use them when talking to residents. Members indicated the best community partners are ones committed and do not question the requirements around documentation. Members also mentioned that getting the correct message out about the program to Detroit residents has been challenging.

3: Marketing, Outreach and Training

The Community Investment Department (“CID”) staff adjusted its marketing, outreach and training initiatives in 2020 in response to the COVID-19 pandemic. While several planned events, conferences and trainings were cancelled or postponed, CID staff continued to provide outreach, education and marketing virtually. CID staff responded to members’ needs using virtual trainings, meetings and workshops throughout the district to promote CID programs, including CIP. We also hired a Community Investment Outreach Partner based in Detroit to help strengthen and broaden our impact throughout Detroit and Michigan. Through these and other outreach efforts, we have continued to increase the number of new member participants. As of 9/30/20, CIP advances exceeded the year’s goal. We will continue to collaborate with Marketing in 2021 with additional efforts to implement the Community Investment Outreach Plan.

2020 Program	New (or Reactivated) Participating Members	Participating Members Returning	Total Members Participating
Affordable Housing Program (AHP)	8	15	23
Homeownership Initiatives (HOP, NIP, AMP)	4	44	48

Community Investment Program (CIP) Advance (As of 9/29/2020)	2	4	6
Elevate Small Business Grant	9	15	24

Six training sessions were scheduled for March 2020 divided equally between Indiana and Michigan. However, due to COVID-19, all workshops were cancelled. In order to disseminate the information intended to be presented at the workshops, we emailed our distribution list, those that registered to attend in person and issued a Bulletin with all presentations, key program dates and updates to our programs, including training on the electronic automation for the Homeownership Initiatives.

The member training for Homeownership Initiatives was delivered via webinar posted to our public website. Additional training on how to use our new online system was done via live webinar and also posted to our website.

In 2020, the CID staff provided outreach to all member financial institutions and to partner organizations in Michigan and Indiana through its extensive mailing list and each state’s non-profit housing and economic development trade organizations. Staff participated on several task force groups or councils and served as panelists for training sponsored by the state housing finance authorities, statewide housing and community economic development conferences and inter-agency webinars hosted by the OCC, FDIC and Federal Reserve. AHP in-depth training was offered to 2020 applicants through Training on Demand and Technical Assistance on Demand options available through members, a series of webinars, help mail, and several days of technical reviews prior to the application deadline. CID staff hosted two virtual Underwriting Affordable Housing workshops, one for each state, that included a panel discussion of the unique attributes of affordable housing from a lender and funder’s perspective. The FHLBank Indianapolis staff and member financial institution, housing developer, and state housing finance agency presented at this educational and technical workshop.

We also continued to build on the success of a pilot program, named Community Mentors, that was introduced in November 2016. Community Mentors targets a small community where community leaders convene to learn from others who have successfully navigated the challenges of engaging community stakeholders to find enduring local solutions for a variety of community and economic development needs. For this event, CID staff assembles affordable housing and community development experts who have navigated through the many obstacles and challenges of building strong communities. In 2020, FHLBank Indianapolis hosted two virtual events, one for the East Warren Neighborhood in Detroit, Michigan and for Kosciusko County, Indiana. Each of these communities received a \$10,000 implementation grant to help carry out ideas and strategies discussed at the workshop. With the success of these events gaining more interest, CID staff formalized the program into a competitive application to host two events in 2021, one in Indiana and one in Michigan. Applications for 2021 events were submitted by September 30, 2020. Two communities will be announced December 1, 2020.

Finally, we concentrated significant efforts in Detroit’s local market with the hiring of a Detroit-based Community Investment Outreach Partner to focus on strategic outreach aimed at affordable housing developers, community partners, and members. Prior to the 2020 AHP round opening, we met with six different development teams to help identify affordable housing projects that both needed gap financing and qualified for AHP dollars. Four of those development teams submitted five of the six Detroit-based project applications in the 2020 round. We have also increased collaboration with local and state community partners, such as the City of Detroit, Michigan Housing Development Authority, and Michigan Economic Development Corporation, to coordinate on projects in their underwriting pipelines. Additionally, FHLBI has become a member of the Detroit CDFI Coalition and we are active in fostering relationships with local CDFIs. Lastly, we have been significantly active in strengthening and building relationships with over ten member banks that have an interest in utilizing our AHP and Homeownership Initiatives for projects and homes in Detroit.

While the COVID-19 pandemic interrupted our original plans to host all 2020 meetings, workshops and trainings in-person, the CID staff adjusted their approach to offering them virtually. All our events have seen significant increases in registration since the barrier of travel and time commitment associated with in-person events is eliminated or significantly reduced, however we are also seeing more attrition for those same reasons. The 2021 outreach and training calendar will repeat successful regional outreach efforts, which will be conducted in both Indiana and Michigan, either virtually, in-person or a combination of both, to give an overview of all CID offerings while providing member/sponsor testimonials and networking opportunities. In addition, program information will be presented at the state affordable housing conferences in our district as well as at conferences sponsored by the Inter-agencies, CRA associations, Member trade associations, Community Action Agencies and various other organizations involved in housing, community economic development and community lending. Working with Marketing and other bank staff to better segment our membership, we continually identify opportunities for affordable housing and community investment for our members. We will focus on adding value for our members, benefiting communities by involving members in local development and impacting communities by identifying champions to lead quality targeted community lending.

4: Affordable Housing Program (AHP)

FHLBank Indianapolis's AHAC and AHC are comprised of committed and experienced housing and community development advocates and developers, as well as member financial institutions. In addition to the quarterly meetings, an Implementation Plan Subcommittee meets monthly by conference call during the second half of the year to develop the 2020 Community Lending Survey, review the preliminary results of the 2020 Plan and recommend changes for 2021. The Implementation Plan Subcommittee completed its work on the Targeted Community Lending Plan in November, allowing for the 2020 Targeted Community Lending Plan to be submitted for AHAC/AHC consideration and recommendation for Board approval at the November Board of Directors meeting.

For 2020, the district priorities are member financial involvement, desirable sites, readiness to proceed, and AHP subsidy per unit. Up to eight (8) points are available for projects demonstrating financial involvement by the AHP sponsoring member through permanent financing, construction/bridge financing, letter of credit, and/or a monetary donation in support of the housing development costs. The desirable sites initiative has up to eight (8) points available for projects that demonstrate proximity/access to transportation and listed amenities. Up to five (5) points are available to projects demonstrating readiness to proceed based upon firm funding commitments, site control, and zoning and site plan approval documented at the time of application. AHP subsidy per unit has up to 15 points available for projects reducing the amount of subsidy per AHP-targeted unit by leveraging additional funding sources in the total development funding stack.

With 65% of our total Affordable Housing allocation available for the competitive program, we awarded \$16.9 million to 40 applicants in one funding round during 2019. The 40 awards include five (5) alternate awards. The majority of awarded projects are rental properties developed by non-profit organizations on sites located in proximity to transportation options or with access to low-cost or no-cost door-to-door transportation services, as well as site amenities that are desirable for the population being served. Many of the awarded projects received AHP subsidy per unit points by leveraging other funding sources into the development budget including member interim financing, permanent financing, and/or donations. The 2020 competitive AHP awards will be approved by the Board in November 2020.

In 2019, eighty (80) respondents of the Community Lending Survey indicated they were involved in developing affordable housing and the majority incorporate a diverse development team member in their projects. In the 2020 AHP application, CID staff asked applicants to identify team members that were diverse, either certified or non-certified. With this data, CID staff plans to broaden education and outreach opportunities to diverse project development team members to ensure we support and increase capacity of these important project development team members.

5: Homeownership Initiatives (Set-aside Programs)

The FHLBank Indianapolis continued contributing the maximum 35% allowable for 2020. FHLBank Indianapolis made the Homeownership Initiative funding available as *Express* (first come, first served) in one release, without designating specific uses to allow maximum flexibility for our member institutions to use funding based on district needs. As part of the 2020 set-aside calculation, one-third of the aggregate allocation was allocated to first-time homebuyers, owner-occupied rehab, or a combination of both.

Homeownership Initiative funding was available until late July 2020. In 2020, member participants accessed approximately \$5.7 million in funding that provided assistance to over 700 households.

In 2020, NIP was the most popular product among the member financial institutions with \$3.4 million disbursed to 480 households. Several members participated in AMP and provided \$630 thousand to improve accessibility for household residents by installing ramps and modifying bathrooms.

6: Community Investment Cash Advance Programs (CIP)

Through the Community Investment Program (CIP), FHLBank Indianapolis members have access to at-cost loans and letters of credit to support affordable housing and community economic development activities that benefit low- and moderate-income families or neighborhoods. These funds are used to develop affordable housing and support local job creation. In 2019, FHLBank Indianapolis members used Community Investment Program (CIP) advances totaling \$272.4 million to fund 17 projects across the country. The 2019 Community Lending Plan included a goal to originate \$100-\$200 million in CIP advances and letters of credit. Members use Community Investments Program (CIP) advances and letters of credit because they are a cost-efficient way to borrow long-term funds for their local economic development needs. CIP advances were used to support affordable housing developments, commercial economic development, and mixed-use developments. CIP is a powerful tool that members use to fuel economic growth. When a member uses CIP, the advance is priced at the cost of funds for similar maturities plus an administrative markup. Members work closely with Community Investment staff and Marketers to ensure the projects demonstrates utilizing CIP will benefit the community in a tangible way- by providing either affordable housing or jobs.

CIP provides an opportunity for FHLBank Indianapolis to help members further support non-housing community economic development needs affecting the communities they serve. FHLBank Indianapolis will continue to promote and educate both members and community partners about the numerous eligible uses for CIP as a community economic development tool.

7: Elevate (Small Business Grant Program)

Elevate continues to be a popular CID program offering, perhaps even more so in 2020 with the large impact COVID-19 has had on small businesses. Therefore, the Board of Directors approved to increase the total funding available to the program in 2020. Also in response to the COVID-19 impact on small businesses, the Board of Directors approved to expand the program to allow a portion of the grant to be eligible for working capital expenses. The Bank received 121 applications in 2020. \$503,171 was awarded to 21 businesses throughout Indiana and Michigan. 91% of awarded businesses are located in low-to-moderate income census tracts with an area median income of 120% or less, 76% of which are minority-, women-, veteran-, or disabled-owned. The grants are expected to create 28 new jobs in a variety of industries such as arts/craft, farming and, food retail. Projects awarded most commonly included plans for machinery or equipment purchases, workforce development, technology enhancements, and facility improvements, as well as business expansion.

8: Community Support Program

FHFA adopted regulations establishing standards of community investment or service for FHLBank members. FHLBank members must comply with these standards in order to maintain access to a FHLBank’s long-term advances, and to continue their participation in a FHLBank’s Affordable Housing Program (AHP), and other Community Investment Cash Advance (CICA) programs. These standards consider a member’s Community Reinvestment Act (CRA) record and lending to first-time homebuyers. By regulation, each FHLBank member, if subject to CSP review, must submit a completed Community Support Statement (CSS) once every two years. In 2019 we worked with our members to ensure all members are in compliance with this regulatory requirement. In 2021 we will again work with our members to collect the required data by October 31, 2021.

The Finance Agency is required to establish regulations with standards of community investment or service for members of FHLBanks to maintain access to long-term advances. For purposes of this regulation, a long-term advance has a term to maturity greater than one year.

9: 2021 AHP Implementation Plan

The 2021 AHP Implementation Plan will be submitted for AHAC/AHC consideration at the January 2021 Board of Directors meeting. This timing allows the FHLBank Indianapolis to clearly show that the Implementation Plan programs, scoring, and guidelines flow from the district needs identified in the Targeted Community Lending Plan, focusing on:

- Broadening ways member financial intuitions can be recognized and incentivized in supporting AHP projects
- Expanding support of AHP projects with different and unique financial structures
- Encouraging support and rental stability for low income households
- Addressing barriers that may exist for program participation among members and non-members

10: 2020 Goals and Accomplishments

Goals	Accomplishments
Originate \$75 - 150 million in CIP advances and letters of credit.	As of 9/30/20, CIP originations totaled \$157.4 million. Advances totaled \$149.5 million and CIP-related letters of credit (including interest) totaled \$7.9 million.
Expand the impact of both AHP and CIP by increasing the number of new participants through focused outreach and training workshops. Partner with members, housing associates, member trade organizations, and economic development organizations to develop affordable housing and community development opportunities. <ul style="list-style-type: none"> ○ Contact 100% of member institutions with program outreach materials. ○ Work with partner organizations to promote events and include articles in their regular communications. ○ Increase attendance at training events by 10%. 	<ul style="list-style-type: none"> • As of 9/30/20, all members were contacted through 12 Community Investment Bulletins, and the Affordable Housing Advisory Council Annual Report was posted to our public website. The member e-newsletter distributed by the Marketing Department typically includes Community Investment Department (CID) features. As of 9/30/20, we sent 5 CID newsletters with distribution to members, sponsors, and community partners. • Prosperity Indiana and the Community Economic Development Association of Michigan (“CEDAM”) regularly promote FHLBank Indianapolis events in newsletters and via social media. CID staff also promote Prosperity Indiana and CEDAM events by forwarding email invitations to our membership lists.

Goals	Accomplishments
<ul style="list-style-type: none"> ○ Leverage training efforts with other stakeholders to target building organizational capacity for non-profits. ○ Achieve a target of 4 new AHP member participants. ○ Achieve a target of 4 new set-aside member participants. ○ Achieve a target of 4 new Elevate member participants. ○ Achieve a target of 4 new CIP member participants. 	<ul style="list-style-type: none"> ● Due to the COVID-19 pandemic, our 2020 CID workshops were canceled, and materials were distributed electronically. We are seeing both more registrations as well as more attrition with virtual events than in-person events. <p>CID staff has presented program information at conferences or meetings during the year, including the CEDAM Developing Vibrant Communities Conference, Prosperity Indiana Summit, and the IBA Mega Conference.</p> <p>We virtually attended and used exhibit space at several additional conferences and events. Ongoing outreach occurs through numerous member and sponsor visits to address individual projects and potential opportunities.</p> <p>As part of our 2020 Detroit Initiative, we conducted 2 focus groups, one for developers regarding competitive AHP and one for member financial institutions utilizing set-aside programs.</p> <ul style="list-style-type: none"> ● AHP applications were received from 5 members using AHP for the first time and 3 reactivated members who have not submitted an application in the proceeding five years. Awards will be approved at the November board meeting. ● Four members became new/reactivated set-aside participants. ● Nine members became new Elevate participants. ● Two members became new CIP participants.
<p>Seek ways to support organizational capacity including operational funding and staff resources.</p> <ul style="list-style-type: none"> ● Convene one workshop each in Indiana and Michigan focusing on Underwriting Affordable Housing. ● Continue partnerships with Michigan CRA Associations and conferences. Convene one statewide event in Indiana. 	<ul style="list-style-type: none"> ● Underwriting Affordable Housing workshops were held virtually. We held one workshop focused on Michigan development on September 16 with 27 participants and one focused on Indiana development on September 23 with 29 participants. Each workshop had FHLBank Indianapolis staff and a member financial institution, developer, state housing finance agency or state economic development agency as presenters. ● Due to the COVID-19 pandemic, we did not attend events organized in Michigan or host an Indiana event. We partnered with the FDIC, Federal Reserve and OCC in presenting virtually on June 25, 2020 about small business support and on September 29, 2020 about rural affordable housing.

Goals	Accomplishments
<p>Expand the impact of current Community Investment Voluntary Initiatives with a strategic approach driven by our outreach goals, stakeholder preferences, and district needs.</p> <ul style="list-style-type: none"> • Coordinate two Community Mentors events in the district and provide each community with a \$10,000 grant to develop a community plan or strategic initiative discussed at the event. Develop an application process for 2021 Community Mentors events. • Develop a marketing strategy for Elevate and CIP. The Community Lending Survey recommendations include development of a marketing strategy focused on raising awareness of lesser known programs. • Incorporate Community Spirit Award winners into the Member Symposium and other events. • Continue stakeholder conversations in the Detroit market and recruit an outreach position based in Detroit. • Explore the addition of a voluntary lending program. 	<ul style="list-style-type: none"> • We coordinated two Community Mentors event in 2020. Events were held virtually for Kosciusko County on October 23 (38 participants) and East Warren Neighborhood in Detroit (34 participants) on October 27. Communities received a \$10,000 grant to implement an initiative discussed during the event. We developed a 2021 application and received 8 applications. Awardees will be announced December 1, 2020. • Formed a cross-functional working group to develop an Elevate marketing strategy. Developed a tool kit to share with member financial institutions and targeted members who have not participated again since the pilot year. Nine members became new Elevate participants. • Community Spirit award winners spoke at our virtual Member Symposium and were panelists for virtual events. • Hired Anna Shires as a Detroit Outreach Partner in April 2020. Anna has conducted numerous stakeholder meetings including Focus groups in Detroit. Received 6 competitive AHP applications from the Detroit market. • The advances desk administered voluntary lending programs at CICA rates to support members' facilities and support COVID-19 relief efforts and small business relief.

11: 2021 Goals

Goals for 2021 are as follows:

- Expand the impact of both AHP and CIP by increasing the number of new participants through focused outreach and training workshops. Partner with members, housing associates, member trade organizations, and economic development organizations to create affordable housing and community development opportunities.
 - Contact 100% of member institutions with program outreach materials.
 - Work with partner organizations to promote events and include articles in their regular communications.
 - Leverage training efforts with other stakeholders to target building organizational capacity for non-profits.
 - Increase attendance at training events by 10%.

- Achieve a target of 14 new member financial institution participants applying for community investment products including competitive AHP, Homeownership Initiatives, Elevate and CIP.
- Consider rebranding of CICA / CIP.
- Originate \$75 - 150 million in CIP advances and letters of credit.
- Seek ways to support organizational capacity including operational funding and staff resources.
 - Convene one workshop each in Indiana and Michigan focusing on Underwriting Affordable Housing.
 - Convene at least one Community Development Forum to focus on member financial institutions with interest in housing finance and community investment to cultivate champions among member staff representatives and support peer to peer learning. Adapt outreach messaging for different member charter types and address member concerns for reputational risk.
- Expand the impact of Community Investment Voluntary Initiatives with a strategic approach driven by our outreach goals, stakeholder preferences, and district needs.
 - Coordinate two Community Mentors events in the district and provide each community with a \$10,000 grant to develop a community plan or strategic initiative discussed at the event. Evaluate the application process based on lessons learned from the pilot year.
 - Work toward receiving Elevate applications of higher quality from a wider pool of member financial institutions by continuing to evaluate the structure of the program, marketing the program directly to member staff who interact with small businesses and involving statewide economic development agencies.
 - Incorporate Community Spirit Award winners into the Member Symposium and other events.
 - Continue stakeholder conversations in the Detroit market and establish office space in Detroit.
 - Work toward increasing Detroit-based AHP applications from six to seven in 2021.
 - Engage one new member to participate in AHP on behalf of a Detroit-based project.
 - Engage or reactivate one additional member on set-asides program.
 - Increase the number of high-quality Elevate applications from Detroit-based businesses.
 - Partner with Detroit-based organizations focused on DE&I efforts.
 - Support immediate needs in the district by evaluating voluntary lending opportunities.
- Support diversity, equity and inclusion in programs that support affordable housing and community development.
 - Provide outreach to DE&I partners participating in the development team of AHP projects.
 - Engage with community development organizations that have DE&I focus.
 - Encourage diverse small business owners to engage with members to apply for Elevate grants to help break down barrier of minority entrepreneurs from developing banking relationship.