



# Community Investment Program (CIP)

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CIP provides members with a continuous, favorably priced source of funds for a variety of uses, including first-time home-buyer loans, small business loans, community and economic development loans, and affordable rental housing. CIP is designed to support FHLBI's members' efforts to undertake community-oriented mortgage lending and economic development in the communities they serve.

## Examples of CIP advance uses:

- Provide permanent financing for apartments for moderate-income households
- Provide equity bridge financing for a Low Income Housing Tax Credit project
- Acquire real estate or equipment for a business in a qualified income area
- Construct a community facility, such as a theater or park, serving a qualified area
- Construct office space for a nonprofit agency serving the mentally handicapped
- Renovate a manufacturing facility to create low- to moderate-income jobs
- Improve infrastructure or a site in a lower-income community to support a business park
- Finance acquisition of mortgages for households up to 115% of the area median income
- Fund rehabilitation loans
- Create or maintain a secondary market for eligible loans
- Purchase Low Income Housing Tax Credits
- Support small business loans
- Promote projects involving a combination of eligible economic development and affordable housing
- Provide funding in partnership with AHP, HUD, FHA, state or local programs

Members may also receive CIP pricing for Direct Pay and Standby letters of credit to be used to fund affordable housing for eligible households.

CIP advances are made on a secured basis and collateral requirements are consistent with those on all FHLBI credit programs. CIP advances, fixed or variable, are available in terms up to 20 years and amortizations are offered for up to 30 years. The CIP advance must be for financing of loans that have closed in the past 90 days or that will be originated in the next 180 days from the date of funding. Prepayment fees may also apply.

CIP recommended minimum advance of \$100,000.

## Benefits to Members

- Lowest priced FHLBI advance – typically 20 to 30 basis points below regular advance rates – the savings can improve margins
- Underwritten by member using their own underwriting standards
- Continuous source of low-priced funds
- Permits pass-through and mark-up options
- Mitigates interest rate risk by match-funding
- Offers terms structured to members' objectives
- Helps expand lending area, customer base and profits
- Funds SBA lending activities, supporting federal economic stimulus efforts
- Enhances relationships with local businesses and community leaders
- Can enhance a member's CRA standing

Information and forms are posted at <https://www.fhlbi.com>

Technical assistance is available by calling FHLBI's Community Investment staff at 800.688.6697.

## Community Investment Program

### How to Apply

The application process is simple! The application process is open year-round, with processing typically completed within 5-7 business days. All of the project's loans must be closed and funds fully disbursed, or construction draws funded, within a period beginning 3 months prior to the CIP funding date and/or ending 6 months after the funding date.

FHLBI staff is available to help qualify projects. A funds-only commitment will be established when both the Community Investment and Credit Services departments have approved the application. A single report is required within the 6 month commitment period. There is no ongoing follow-up monitoring required.

### Program Qualification

CIP allows members to improve their bottom line while working with civic leaders to improve their communities.

- To qualify for CIP funding, any one of the following criteria must be met:
- The project is located in a neighborhood where the median income is at or below the targeted income level (100% of AMI for urban areas and 115% for rural areas).
- The project is located in a federal empowerment zone, enterprise community or champion community; Michigan Renaissance Zone, Indiana Enterprise Zone, areas impacted by federal military base closings; areas eligible for federal Brownfield Tax Credits; federal/state disaster areas.
- 51% of the families or individuals served by the project are at or below the program's targeted income level.
- The beneficiary is a small business as defined by the Small Business Act and SBA.
- The annual salaries for at least 51% of the permanent full and part-time jobs, computed on a full-time equivalent basis, created or retained by the project, other than construction jobs, are at or below the targeted income level for the type of business.

Housing projects/activities must involve the purchase, construction or rehabilitation of, or predevelopment financing of housing that meets one of the following guidelines:

1. Individual owner-occupied housing units, each of which is purchased or owned by a family with an income at or below 115% of AMI.
2. Rental housing where at least 51% of the units are occupied by, or rents are affordable to, families with incomes at or below 115% of AMI.

Community Investment staff are available to assist in determining CIP eligibility.

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**For more information contact Rori Chaney at 317.465.0428, [rchaney@fhlbi.com](mailto:rchaney@fhlbi.com) or call 800.688.6697.**



#### Building Partnerships, Serving Communities

The Federal Home Loan Bank of Indianapolis (FHLBI) is one of 11 regional banks that make up the Federal Home Loan Bank System. FHLBanks are government-sponsored enterprises created by Congress to ensure access to low-cost funding for their member financial institutions. FHLBanks are privately capitalized and funded, and receive no Congressional appropriations. The FHLBI is owned by its financial institution members, which include commercial banks, credit unions, insurance companies, and savings banks headquartered in Indiana and Michigan. For more information about the FHLBI and its affordable housing programs, visit [FHLBI.com](http://FHLBI.com).