



Federal Home Loan Bank of Indianapolis

Membership Application Instructions

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)

Prior to completing this membership application, please contact an FHLBI representative (listed below) to discuss pertinent issues regarding membership by a CDFI.

1. Prepare and submit an original of this membership application to:

Credit Services Department
Federal Home Loan Bank of Indianapolis
8250 Woodfield Crossing Boulevard
Indianapolis, IN 46240

2. Prepare and include with the application the following documents related to the CDFI applying for membership:
 - a. A copy of the financial statements for the most recent six quarters and the three most recent fiscal year-ends.
 - b. A copy of the most recent independent audit report conducted by a certified public accounting firm in accordance with generally accepted auditing standards (GAAS).
 - c. A copy of the certification received from the CDFI Fund. If the certification is more than three years old, the applicant must submit a written statement attesting that no material events that would adversely affect its strategic direction, mission or business operations have occurred since receipt of certification.
 - d. A copy of the Home Financing Policy and mortgage loan underwriting guidelines. Applicants may include their entire loan policy if a separate Home Financing Policy is not available.
 - e. A copy of the CDFI's organization certificate and bylaws.
 - f. A list of all directors, senior officers and subsidiaries of the CDFI. For subsidiaries, please provide their primary activities.

If you have any questions regarding completion of this application, please call:

John Bingham, VP, Credit Risk Manager (317) 465-0323
jbingham@fhlbi.com

Steve Ratliff, AVP, Senior Credit Analyst (317) 465-0442
sratliff@fhlbi.com

Federal Home Loan Bank of Indianapolis

MEMBERSHIP APPLICATION

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)

Name of CDFI: _____

Street Address: _____

P.O. Box: _____

City, State and Zip Code: _____

Telephone Number: _____

Fax Number: _____

Website Address: _____

Name and Title of Primary Contact Person: _____

Telephone Number: _____ Extension: _____

E-Mail Address: _____

GENERAL INFORMATION

1. Name and Title of Managing Officer: _____

2. Location of any branch offices (if applicable): (attach a separate sheet)

3. Has the applicant ever been a member of the Federal Home Loan Bank System? ____

If yes, when? _____

Why did the CDFI withdraw from membership? (attach a separate sheet)

4. What is the date of the CDFI's fiscal year-end? _____

5. Is the CDFI incorporated under state or tribal law? _____

NAME OF CDFI: _____

6. Indicate the applicant's type of CDFI:

_____ Community Development Venture Capital Fund

_____ Community Development Loan Fund

_____ Other - List: _____

7. Merger Activity Information:

a. Has there been any merger or acquisition activity in the last two years of operation?

b. Are there any pending mergers that will take place in the next two quarters?

(If so, please attach a separate sheet with a brief explanation.)

NAME OF CDFI: _____

MINIMUM FINANCIAL CONDITION STANDARDS WORKSHEET
(Based on the most Recent Financial Statements)

Net Worth Ratio:

(net assets and total assets include restricted assets)

Net Assets (residual value of assets over liabilities) \$ _____

Divided by:

Total Assets \$ _____

Equals

Net Worth Ratio _____ %
(must equal or exceed 20%)

Earnings:

(net income is defined as gross revenues less total expenses)

Net Income (Year 1) \$ _____

Net Income (Year 2) \$ _____

Net Income (Year 3) \$ _____

Total Income Last 3 Years \$ _____

Divide by 3 for Average \$ _____
(must be positive measured on a rolling three-year average)

Loss Reserves:

Loan Loss Reserve \$ _____

Divided by:

Loans Past Due 90 Days or More (include loans sold with full recourse) \$ _____

Equals

Loss Reserve Ratio _____ %
(must be at least 30%)

Liquidity Ratio:

	Most Recent Q1	Q2	Q3	Q4	Preceding Yr 1	Preceding Yr 2
Unrestricted Cash and Cash Equivalents	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Divided by:

Average Quarterly Operating Expense	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
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Equals

Liquidity Ratio _____ % _____ % _____ % _____ % _____ % _____ %
(must be at least 1.0 for the most recent 4 quarters and one or both of the preceding two years)

NAME OF CDFI: _____

COMPUTATION OF FHLBANK CAPITAL STOCK REQUIREMENT

Date - Latest Quarter-End

TOTAL FIRST MORTGAGE REAL ESTATE LOANS / LINES OF CREDIT

Include only first-lien 1-4 family and first-lien multi-family residential loans.

\$ _____

LESS: CONSTRUCTION LOANS INCLUDED IN FIRST MORTGAGE REAL ESTATE LOANS / LINES OF CREDIT

<\$ _____>

TOTAL FIRST MORTGAGE REAL ESTATE LOANS

1. \$ _____

MORTGAGE-BACKED PASS-THROUGH SECURITIES

Do not include CMOs, REMICs or other mortgage-derivative products.

2. \$ _____

TOTAL

Sum of Line 1 and Line 2

3. \$ _____

0.75 PERCENT OF LINE 3

4. \$ _____

LINE 4 ROUNDED TO THE NEXT HIGHEST \$100

5. \$ _____

MINIMUM REQUIREMENT

6. \$ 1,000 _____

DOLLAR AMOUNT OF FHLB STOCK REQUIRED

Greater of Line 5 or Line 6

7. \$ _____

FHLBank of Indianapolis

NAME OF CDFI: _____

**APPLICATION FOR MEMBERSHIP AND
PURCHASE OF STOCK IN FEDERAL HOME LOAN BANK**

Date of Application

The undersigned applicant hereby applies for membership in the Federal Home Loan Bank of Indianapolis (FHLBank) and, if approved for membership, will purchase _____ shares of stock at the par value of \$100 each in the FHLBank, and agrees to make payment in the amount of \$_____ as payment of said stock purchase within 60 calendar days of approval for FHLBank membership.

Applicant is of the opinion that it is eligible to become a member of the FHLBank and that it is authorized to purchase and hold capital stock in the FHLBank and to maintain deposits there. Applicant understands that this application must be considered, acted upon, and approved by the Federal Housing Finance Agency (FHFA) before becoming a member of the FHLBank.

In submitting this application, applicant understands and agrees that:

1. Applicant will be advised whether or not its application for membership is approved.
2. If admitted to membership, applicant will conform to all requirements of the Federal Home Loan Bank Act, as now or hereafter amended, and to the rules and regulations thereunder.
3. Applicant will not represent itself to be a member of the FHLBank until it has received notice of approval of membership and has purchased its minimum stock requirement.

NAME OF CDFI: _____

**OFFICER CERTIFICATION ON
CORPORATE, DIRECTOR, AND SENIOR OFFICER CONDUCT**

I certify that I am the chairperson, managing officer, or other duly authorized officer of the above applicant and that it is authorized under the laws of the United States and of this State, and under its corporate charter, constitution and bylaws, and by board resolution to apply for membership in, buy stock, do business with, open accounts, maintain deposit(s) in, become a member of the Federal Home Loan Bank referred to, and pay the expenses incident to such application; and that the foregoing has been legally done and validly executed to accomplish such purposes.

Furthermore, at the present time, I certify that except as described in a separate document filed with this membership application:

Criminal, Civil or Administrative Proceedings

Neither the applicant nor any of its directors or senior officers has been the subject of any criminal, civil or administrative proceedings reflecting upon creditworthiness, business judgment or moral turpitude in the past three years.

Criminal, Civil or Administrative Monetary Liabilities, Lawsuits or Judgments

There are no known potential criminal, civil or administrative monetary liabilities, material pending lawsuits or unsatisfied judgments against the applicant or any of its directors or senior officers arising within the past three years that are significant to the applicant's operations.

Date: _____

Chairperson or Managing Officer

NAME OF CDFI: _____

I certify that I am the duly elected, qualified, and acting secretary (or cashier) of the above mentioned applicant and that at a regular meeting of its board of directors/trustees or at a special meeting thereof called for that purpose, a quorum being present, a resolution was adopted, and recorded in the minutes as follows:

"BE IT RESOLVED that this CDFI applies for membership in the Federal Home Loan Bank of Indianapolis, that if approved for membership it will subscribe and pay for stock therein as provided in the Federal Home Loan Bank Act, as amended, and that it be fully authorized to do business with, and exercise all of the privileges of membership in said Bank as provided in said Act;"

"BE IT FURTHER RESOLVED that the managing officer and secretary (or cashier) be authorized and directed to execute an application as prescribed by the Federal Housing Finance Agency and any other papers and documents required in connection therewith, to pay all expenses, and to do all other things necessary or proper in connection with applying for, obtaining and retaining such membership privileges thereof as the said Agency may by regulations prescribe."

I further certify that, pursuant to said resolution, the foregoing application for membership was duly executed and that any information and documents required by the Federal Housing Finance Agency are attached or accompany the same and that said information is correct and said documents are true and correct copies of what the same purport to be.

Secretary or Cashier

NAME OF CDFI: _____

MORTGAGE LENDING QUESTIONNAIRE

1. Please place an (x) next to each of the long-term mortgage loans the CDFI originates (include loans originated that will subsequently be sold within the secondary market and those originated through subsidiaries):

<u>Original Maturity</u>	<u>Fixed-Rate</u>	<u>Variable-Rate</u>	<u>Amortization Period</u>
5-year balloon:	_____	_____	_____ Years
7-year balloon:	_____	_____	_____ Years
10-year balloon:	_____	_____	_____ Years
10-year:	_____	_____	_____ Years
15-year:	_____	_____	_____ Years
20-year:	_____	_____	_____ Years
30-year:	_____	_____	_____ Years

Other: _____

Maximum loan-to-value: _____ % (Fixed-Rate)

_____ % (Variable-Rate)

Other comments regarding home mortgage loan programs offered:

2. Is your CDFI an approved seller/servicer for: FHLMC? _____
FNMA? _____

3. Does your CDFI offer mortgage loans on multi-family dwellings? _____

If so, please describe briefly the terms offered. _____

NAME OF CDFI: _____

A requirement for membership in the Federal Home Loan Bank System is that an applicant demonstrates its "compliance with sound and economical home financing." This requirement can be satisfied through submission of a Home Financing Policy or equivalent policy(ies) that may be considered to be sufficient by the Federal Home Loan Bank of Indianapolis.

If the applicant does not have a Home Financing Policy, an applicant is required to submit a written justification explaining management's commitment to providing home financing in a safe and sound manner.

Examples of management's commitment may include:

1. Describe in what ways your institution participates in community development and displays community support.
2. Describe products and/or services offered that are designed toward community investment.
3. Describe management's philosophy or strategy regarding the origination, purchase and/or holding of mortgage-related assets (MRAs) that reflect support to the communities in which the institution markets its products. MRAs include single-family home mortgage loans, home equity loans and lines of credit, multi-family home mortgage loans (apartment buildings, college dormitories, nursing homes/care centers for elderly individuals, etc.), pass-through, mortgage-backed securities and collateralized mortgage obligations (CMOs and REMICs).
4. If the institution originates mortgage loans on residential properties, does the company participate in the origination of subprime, non-traditional and/or predatory type products?
5. In purchasing MRAs, explain the institution's policies/practices in attempting to ensure that underlying mortgage collateral is not subprime, non-traditional and/or predatory.
6. List any other information which reflects the institution's "compliance with sound and economical home financing."