

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

If you wish to transmit the completed application packet electronically, please securely submit the application and materials to CreditUnderwriting@fhlbi.com and notify one of the listed contacts below.
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 most recent organizational structure and/or schedule of affiliates and subsidiaries. The following should also be submitted for each identified controlled affiliate/subsidiary:
 - i. The most recent financial statements for the affiliate/subsidiary. Financial statements should include, but are not limited to, income and expense statements, statements of financial position, cashflows and activities.
 - ii. Descriptions of the lines of business and purpose of each controlled affiliate/subsidiary.
 - iii. Detailed financial disclosures of the relationship between the applicant and its affiliates/subsidiaries (such as indebtedness or subordinate debt obligations), disclosures of interlocking directorships with each affiliate and identification of temporary and permanently restricted funds (and requirements of those restrictions).
 - d. 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.
 - e. A copy of the Home Financing Policy and mortgage loan underwriting guidelines. Applicants should also include a written justification on how and why the applicant's home financing policy is consistent with the FHLB system's housing finance mission.
 - f. A copy of the CDFI's Articles of Incorporation, Articles of Association or Articles of Charter (as applicable), along with all amendments needed to establish exact legal name and a copy of the current bylaws.
 - g. A list of all directors and senior officers of the CDFI.

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

Scott Stansberry, FVP, Credit Risk Director
(317) 465-0505
dstansberry@fhlbi.com

Jonathan T. Bundy, AVP, Underwriting Manager
(317) 465-0448
jbundy@fhlbi.com



MEMBERSHIP APPLICATION

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)

Name of CDFI:		
Street Address:		
P.O. Box:		
City:	State:	Zip:
Phone number:	Fax number:	
Website Address:		
Name of Primary Contact Person:		
Title of Primary Contact Person:		
Phone number:	E-Mail Address:	

GENERAL INFORMATION

1. Name Managing Officer: _____ 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? Yes No
If so, 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? Yes No

b. Are there any pending mergers that will take place in the next two quarters?
(If so, please attach a separate sheet briefly explaining.) Yes No

Name of CDFI: _____



MINIMUM FINANCIAL CONDITION STANDARDS WORKSHEET

(Based on the most Recent Financial Statements)

Most Recent Financial Statement

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)

(rolling periods should start with the most recent financial statement)

	TIME PERIOD	
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
(reserves specific for loans expected to be uncollectible)

LOANS PAST DUE 90 DAYS OR MORE
(include loans sold with full recourse)

	Divided by:	
	Equals	
LOSS RESERVE RATIO		
		%
		(must be at least 30%)

LIQUIDITY RATIO:

	Most Recent Qtr (MRQ)	MRQ-1	MRQ-2	MRQ-3	Preceding Yr 1	Preceding Yr 2
UNRESTRICTED CASH AND CASH EQUIVALENTS						
	Divided by:					
AVERAGE QUARTERLY OPERATING EXPENSE						
	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

Pursuant to Section V of the FHLBank Indianapolis Capital Plan, each institution applying for membership must purchase and maintain FHLBank Indianapolis Class B capital stock in an amount equal to its membership stock requirement. The FHLBank Indianapolis Capital Plan defines the membership stock requirement as a percentage of the member's total assets subject to certain minimums and maximums. The initial membership stock requirement for your institution is as follows:

Date - Latest Quarter-End

CDFI, BANK, CREDIT UNION APPLICANT REQUIREMENT

TOTAL ASSETS \$ _____

0.10% OF TOTAL ASSETS ROUNDED TO NEXT HIGHEST \$100
(Line 2) \$ _____

MINIMUM REQUIREMENT \$ 7,500

MAXIMUM REQUIREMENT \$ 5,000,000

DOLLAR AMOUNT OF FHLB STOCK REQUIRED
(Enter Line 2 or Minimum/Maximum if Line 2 outside those bounds) \$ _____

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. In applying for, and if applicant is admitted to membership, the FHFA and the FHLBank are authorized to receive any information, examination reports and other supervisory materials provided by the appropriate state or federal regulatory authority or officer exercising supervisory authority over applicant regarding applicant and its affairs.
4. Applicant will not represent itself to be a member of the FHLBank until applicant 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 type of long-term mortgage loan the bank originates (include loans originated that will subsequently be sold within the secondary market and those originated through subsidiaries):

Original Maturity	Fixed-Rate	Variable-Rate	Amortization Period
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? Yes No FNMA? Yes No

3. Does your CDFI offer mortgage loans on multi-family dwellings? Yes No

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 and a written justification of how and why the applicant’s home financing policy is consistent with the FHLB system’s housing finance mission. Each will be evaluated and considered by the Federal Home Loan Bank of Indianapolis.

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.”