



NEWS RELEASE

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Oct. 22, 2024

Federal Home Loan Bank of Indianapolis partners with Michigan State Housing Development Authority to launch Rate Relief Mortgage Program

Bank invests \$50 million to support affordable housing for low-income, first-time homebuyers in Michigan

INDIANAPOLIS – In an effort to make homeownership more accessible and affordable in Michigan, the Federal Home Loan Bank of Indianapolis (FHLBank Indianapolis or the Bank) and the Michigan State Housing Development Authority (MSHDA) have created the MSHDA Rate Relief Mortgage Program to benefit low-income, first-time homebuyers in the state.

This new program will allow qualified low-income first-time homebuyers to reduce the cost of their mortgage by one full percentage point if they finance through a MSHDA-approved lender that also is a Bank member. This will allow hundreds of Michigan's first-time homebuyers to save money every month on their mortgage.

"Every Michigander should be able to raise their family in a home they love," said Lt. Governor Garlin Gilchrist II. "That is why we have made historic investments to build or rehabilitate 34,000 housing units and announced the largest housing investment in state history. The MSHDA Rate Relief Mortgage program will lower the mortgage interest rate for eligible homebuyers by a full percentage point, saving families hundreds each year, keeping money in their pockets, and helping more Michigan families achieve their dream of homeownership. Let's keep working together to build more affordable housing and create a brighter future for Michigan families."

FHLBank Indianapolis is supporting the program by purchasing a \$50 million MSHDA bond (Series F), allowing Bank members the opportunity to sell single-family mortgage loans to MSHDA at below-market rates.

"Everyone should have the opportunity to own a home," said Cindy Konich, President and CEO of FHLBank Indianapolis. "That's why the MSHDA Rate Relief Mortgage Program -- and our growing partnership with MSHDA -- is so important. It reflects our shared vision and values of providing affordable housing solutions, eliminates financing barriers, and opens the door to a brighter future for hundreds of first-time homebuyers in Michigan."

Amy Hovey, CEO and Executive Director of MSHDA, agreed.

"This program is a game changer for Michigan families. Saving first-time homebuyers a full percentage point on their mortgages will make a big difference, helping more families make it in Michigan," Hovey said.

MSHDA's Homeownership Division offers mortgages with competitive interest rates, connections to homebuyer education and counseling, and up to \$10,000 in down-payment assistance. Last year, this team backed mortgages and down-payment assistance worth more than \$728 million, helping 5,082 first-time homebuyers achieve access to this important wealth-building tool. The Michigan Legislature is currently considering House Bill 5032, which would eliminate the current cap of \$224,500 on mortgages eligible for MSHDA support.

Key facts about the program:

- **Who's eligible?** First-time homebuyers with a qualifying income at or below 80% of Area Median Income (AMI); a credit score of 640 or higher; and must work through an FHLBank Indianapolis member that is also a MSHDA-participating lender.
- **Other qualifications:** New or existing single-family residences, including some types of manufactured homes; 30-year terms; and a maximum sales price limit of \$224,500 (per Michigan law. Other restrictions may apply.)
- **Launch date:** The program opened Oct. 21, 2024, and will continue until funds are depleted on a first-come, first-served basis.
- **How to apply:** Interested first-time homebuyers can get more information at their local lending institution. FHLBank Indianapolis members can find more specifics on the Bank's MemberLink portal and through the Bank's direct member communications.

Current MSHDA participating lenders who also are FHLBank Indianapolis members are below:

<ul style="list-style-type: none"> • 1st State Bank • Adventure Credit Union • Bank of Ann Arbor • Case Credit Union • ChoiceOne Bank • Commercial Bank • Dart Bank • Dort Federal Credit Union • Financial Plus Credit Union • First Merchants Bank (Level One Bank) 	<ul style="list-style-type: none"> • Grand River Bank • Horizon Bank • Independent Bank • Kellogg Community Credit Union • Lake Michigan Credit Union • Macatawa Bank • Mercantile Bank of MI • Metro Community Development, Inc. • Michigan First Mortgage, a division of Michigan First Credit Union 	<ul style="list-style-type: none"> • Northland Area Credit Union • Northpointe Bank • Superior National Bank and Trust • United Bank of Michigan • United Federal Credit Union • University Bank • West Shore Bank
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This is the second housing partnership the Bank and MSHDA have created this year. In January, they jointly announced the launch of the Tribal Nations Housing Development Assistance Program (TNHDAP). That program is aimed at building on tribal nations' existing capacity and providing resources and support to develop affordable housing programs and projects that respond to their unique housing needs. FHLBank Indianapolis is supporting the program with a grant of up to \$3 million.

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About Federal Home Loan Bank of Indianapolis:

FHLBank Indianapolis is a regional bank in the Federal Home Loan Bank System. FHLBanks are government-sponsored enterprises created by Congress to provide access to low-cost funding for their member financial institutions, with particular attention paid to providing solutions that support the housing and small business needs of members' customers. FHLBanks are privately capitalized and funded, and they receive no Congressional appropriations. One of 11 independent regional cooperative banks across the U.S., FHLBank Indianapolis is owned by its Indiana and Michigan financial institution members, including commercial banks, credit unions, insurance companies, savings institutions and community development financial institutions. For more information about FHLBank Indianapolis, visit www.fhlbi.com and follow the Bank on [LinkedIn](#), and [Instagram](#) and [X](#) at @FHLBankIndy.

About MSHDA

The [Michigan State Housing Development Authority \(MSHDA\)](#), established in 1966, provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities, develop vibrant cities, towns and villages, and address homeless issues.