



## NEWS RELEASE

### FOR IMMEDIATE RELEASE

Dec. 4, 2024

#### **Federal Home Loan Bank of Indianapolis allocates nearly \$7 million to Rate Advantage mortgage program for low-income homebuyers**

*Funds incentivize member institutions to originate conventional loans at below-market rates, benefiting hundreds of residents in Indiana and Michigan*

INDIANAPOLIS – In response to heavy member demand, the Board of Directors (the “Board”) of the Federal Home Loan Bank of Indianapolis (“FHLBank Indianapolis” or the “Bank”) recently approved adding \$2.7 million to its new Rate Advantage Program, bringing the total program allocation to \$6.7 million to make homeownership more accessible and affordable for hundreds of low-income homebuyers in Indiana and Michigan.

The Rate Advantage Program was launched Aug. 15, 2024, with an initial startup of \$1 million to support the efforts of the Bank’s members in originating below-market rate conventional loans to eligible borrowers. Within weeks, the funds were nearly depleted, prompting the Board to add \$3 million in voluntary funds on Oct. 3 and another \$2.7 million on Nov. 22.

At the end of November 2024, a total of 380 loans were locked or funded in less than four months, resulting in more affordable housing finance opportunities for hundreds of qualified families across the Bank’s district of Indiana and Michigan.

“The high utilization of Rate Advantage underscores the critical need for accessible and reliable housing support across our district,” said Cindy Konich, President and CEO of FHLBank Indianapolis. “Supporting affordable housing is a key part of the FHLBank System’s mission, and we’re proud to work with our members to make home ownership a reality for so many.”

To secure a loan, borrowers must have an income of less than 80% AMI (Area Median Income) and partner with an FHLBank Indianapolis [member lending institution](#).

“We appreciate the effort our members have dedicated to promoting this program, and it is exciting to see the benefits it has had for borrowers,” said John Bingham, FVP Senior Director, MPP and Corporate Communications. “We look forward to the positive impact these additional funds will have across our district’s communities and building on the success of this program.”

Supporting affordable housing has been a key component of the FHLBank System’s mission for decades. Since 1990, the FHLBanks have collectively made more than \$8 billion available in AHP subsidies, assisting over one million households, according to the [Council of Federal Home Loan Banks](#).

As one of 11 banks in the FHLBank System, FHLBank Indianapolis has been a leading private source of affordable housing funding in Indiana and Michigan for decades. Through Q3 2024, the Bank's combined required and voluntary allocation to its Affordable Housing Program was \$49 million, an increase of \$11 million, or 30%, compared to the corresponding period in the prior year.

The Rate Advantage Program is among several affordable housing programs and products available to FHLBank Indianapolis member financial institutions or partners:

- [CDFI Rate Buydown Advance](#), a low-cost source of capital for non-depository CDFIs to support housing and economic development in underserved communities.
- [HomeBoost Down Payment Assistance Program](#), a down payment assistance program for minority or first-generation first-time homebuyers in Indiana and Michigan.
- [MSHDA Rate Relief Mortgage Program](#), supported by a \$50 million bond purchase in October from the Michigan State Housing Development Authority for low-income first-time homebuyers in Michigan.

For more information about the Rate Advantage Program, members can contact the Bank's Mortgage Purchase Program team at [mpp@fhlbi.com](mailto:mpp@fhlbi.com) or 800-274-4636.

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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](http://www.fhlbi.com) and follow the Bank on [LinkedIn](#), and [Instagram](#) and [X](#) at @FHLBankIndy.