

■ Housing Supply Rate Buydown Advance FAQ

General information

What is an interest rate subsidy?

An interest rate subsidy, or discount, is the amount of interest payments that the Bank voluntarily forgoes to lower the interest rate to the member on this particular advance. Each member is limited to \$550,000 in interest rate subsidy.

How do I calculate the interest rate subsidy?

FHLBank Members can use the Housing Supply Rate Buydown Advance subsidy calculator located on the [MemberLink](#) portal. The calculator can be used to determine the amount of subsidy needed to obtain the desired advance rate. If you are a FHLBank member staff and are unsure if you have access, please email MemberServices@fhlbi.com.

What's the difference between the Housing Supply Rate Buydown Advance and the former CDFI Rate Buydown Advance?

The CDFI Rate Buydown Advance was used exclusively for lending to eligible non-depository CDFIs in the FHLBank Indianapolis district. We are grateful to our FHLBank members that took advantage of this program and forged meaningful partnerships with our non-depository CDFIs located in Indiana and Michigan.

The Housing Supply Rate Buydown Advance is similar in how the subsidy is calculated, but it is different in terms of program eligibility. The purpose of the Housing Supply Rate Buydown Advance is to encourage FHLBank members to lend directly to housing development projects and/or to CDFIs or housing funds to lend into housing development projects. This advance is meant to help benefit housing development projects directly, while including pathways for FHLBank members to partner with CDFIs.

Terms and structure

Do prepayment fees apply to FHLBank members that are using this advance?

Yes, this advance is subject to the standard prepayment policy and fees. For more information, please contact the Advances Desk as creditdesk@fhlbi.com.

If providing a construction loan, can the construction loan be drawn down monthly even though the subsidized advance is a bullet?

Yes. The terms and the loan structures **do not** have to match, as long as the term of the advance is no longer than the loan to the end-borrower.

With permanent loans typically being longer than 10 years, and construction loans typically variable, how can we make this work?

Our Housing Supply Rate Buydown Advance has a minimum of 1 year and a maximum of a 10-year term. This allows FHLBank members to offer low-interest, fixed-rate loans that can be used for construction or permanent loans for both rental and homeownership developments. The terms and loan structures **do not** have to match, as long as the term of the advance is no longer than the loan to the end-borrower.

FHLBank Indianapolis **will not** underwrite the member loans. We are offering fixed-rate, low-interest capital for members to deploy in housing development projects while allowing members to create their own terms and loan structures.

Availability and eligibility

When is the new Housing Supply Rate Buydown Advance available?

The new Housing Supply Rate Buydown Advance will available beginning **July 31, 2026, at 8:00 a.m. ET** and will be available until October 15, 2026, or when the \$6,000,000 grant subsidy is depleted — whichever comes first.

How do I know if a housing development project qualifies for this advance?

More information on project eligibility can be found on our Program Guide located on the Housing Supply [webpage](#).

Are projects with an FHLBank Indianapolis AHP award eligible?

Projects that have been awarded AHP funds between 2022–2025 are ineligible for this advance. Projects that have been awarded AHP funds from other FHLBanks are eligible. Projects pursuing 2026 FHLBank Indianapolis funds are also eligible.

What CDFIs are eligible under this advance?

FHLBank member non-depository CDFIs are eligible to borrow directly from FHLBank Indianapolis for direct lending into housing development projects. FHLBank members can also partner with any non-depository CDFI that has eligible projects located in Indiana or Michigan.

Can you provide examples of state and regional housing funds that would qualify?

FHLBank members can reach out to housing@fhlbi.com if they are unsure whether a particular housing fund would qualify.

The Michigan Housing Accelerator Fund is an example of a statewide housing fund administered by the Michigan State Housing Development Authority. The Detroit Housing for the Future Fund administered by Detroit LISC is an example of a local housing fund.

If there aren't housing funds active in your service area, please know that you can also partner with a non-depository CDFI.

What if I, as a FHLBank member, don't have eligible projects in my pipeline nor do I have any connections to eligible housing funds or CDFIs?

If you need help building partnerships with a CDFI or housing fund, please email housing@fhlbi.com and staff will try to support you in any way that they can.

Application, deadlines and reporting

Where do I find the Housing Supply Rate Buydown Advance application?

FHLBank members can access the application located on the [MemberLink](#) portal. If you are a FHLBank member staff and are unsure if you have access to MemberLink, please email MemberServices@fhlbi.com.

How does a FHLBank member apply for this advance?

The FHLBank member staff will need to get access to the application through the MemberLink portal. Beginning July 31, once the application is fully completed, it can be submitted to housing@fhlbi.com for review by the Community Investment team. The Community Investment team will then notify the member contact that the application has been preliminarily approved for program eligibility. The application will then be forwarded to the Advances Desk for the second and final review. The Advances Desk will provide final approval and notify the member contact listed on the application.

Where can I find information on the deadlines and reporting requirements?

Information regarding the advance timeline as well as reporting requirements can be found in the program guide and the webinar slide deck located on the Housing Supply Rate Buydown Advance [webpage](#). This information can also be found within the application, which can be accessed by FHLBank members on MemberLink.

What does a FHLBank member have to do after the application is approved by the Advances Desk?

The FHLBank member has up to 60 days from application approval to draw down the advance with FHLBank Indianapolis.

Do I have to pledge the eligible housing development project as collateral?

No, pledging the eligible project as collateral is not a requirement for obtaining this advance.

Who do I contact at FHLBank Indianapolis if I have questions about this advance that aren't covered in the program materials or above?

The general public can email housing@fhlbi.com for questions they have regarding eligibility. FHLBank members can also email housing@fhlbi.com for any questions related to general program eligibility or application questions. FHLBank members can contact your Account Manager or the Advances Desk at creditdesk@fhlbi.com for questions related to the advance specifically or advance requirements.