



HOUSING SUPPLY RATE BUYDOWN

Advance

Webinar

PRESENTED BY:

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June 16, 2026

Webinar Information



- Today's webinar will be recorded and both **slides and recording will be posted to our website** on the Housing Supply Rate Buydown webpage.
- Please submit questions throughout the presentation by using the Q&A box in Zoom. **Questions will NOT be answered live**, but an FAQ will be posted on webpage after the webinar.



Today's Agenda

- Overview of program
- Project eligibility
- How the subsidy works
- Application process
- Reporting requirements

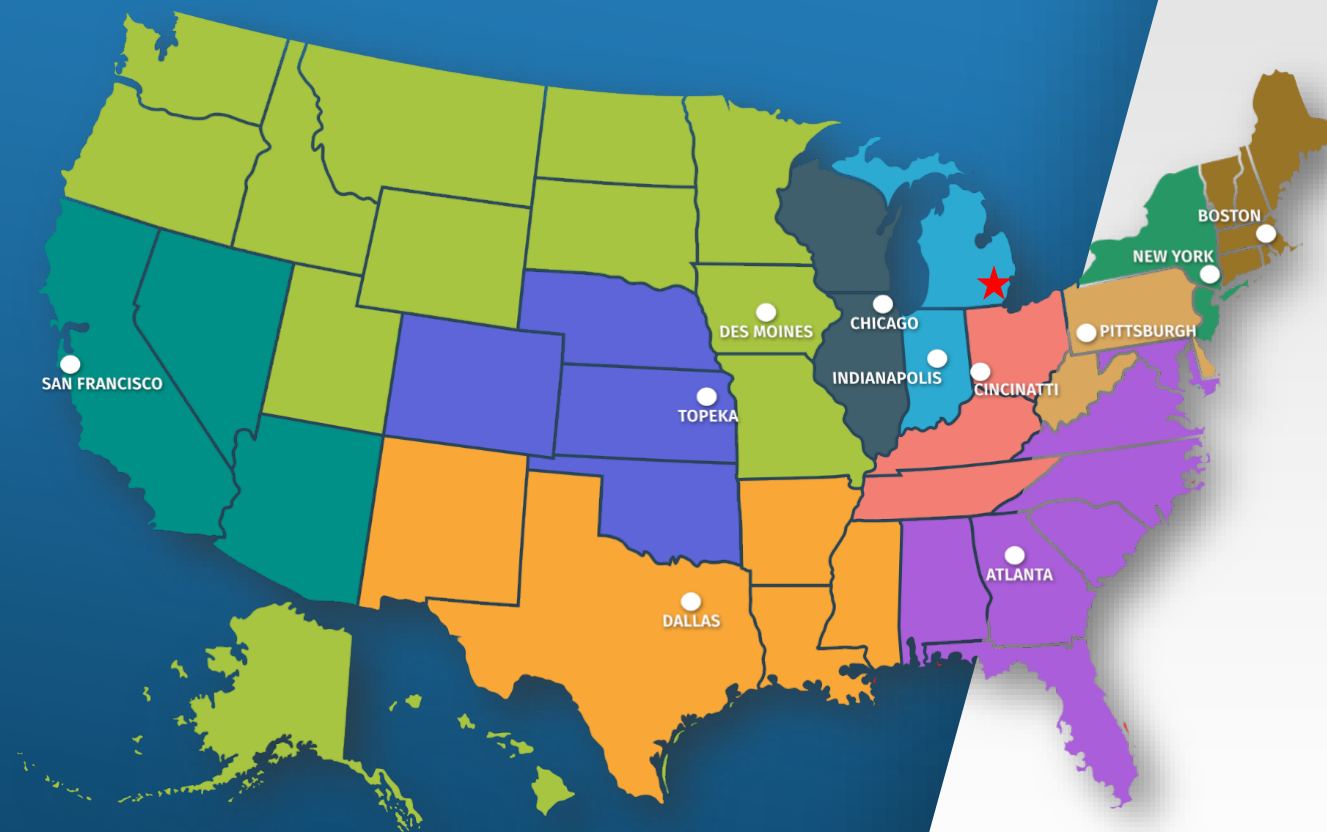
FHLBank Introduction

PART OF A NATIONAL SYSTEM

- Created by Congress in response to Great Depression
- \$800 billion system to provide lendable funds to other financial institutions¹
- Not a direct lender

FHLBANK INDIANAPOLIS

- 1 of 11 regional banks
- District includes Indiana and Michigan



¹ An Overview of the Federal Home Loan Bank System, Federal Housing Finance Agency - OIG

FHLBank Indianapolis Members

Banks, credit unions, insurance companies and CDFIs are all eligible.

Must have a charter or principal place of business in our district of Michigan or Indiana.

Our directory can be found [here](#).

354

Member financial institutions in district

*As of 12/31/25

Home / Who We Serve / Member Directory

CONTACT :
TEL :
NOTES :

Member Directory

Our hundreds of member banks, credit unions, insurance companies and CDFIs span every corner of Indiana and Michigan. Our easy-to-use directory makes it easy to search members by name, city and state, and ZIP code. (Member listing is as of June 30, 2024)

By Name
Type Keywords
SEARCH

By State & City
State
City

Search Results
All # A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Viewing 30 of 356

1st Source Bank South Bend, IN 46601	1st State Bank Saginaw, MI 48604	4Front Credit Union Traverse City, MI 49684
AAA Life Insurance Company Livonia, MI 48152	Accident Fund Insurance Company of America	Advance Financial Federal Credit Union

2026 FHLBank Commitment

10% + 7.5%

Regulatory allocations

In additional contributions!

More than \$70M

available in 2026

Housing Supply Advance Basics

We have allocated **\$6,000,000** in grant subsidy to reduce advance interest rates to as low as **0%** for housing development.

- Subsidy will be available on a first-come, first-served basis
- Projects supported by subsidy:
 - Homeownership & rental housing development projects located in Indiana or Michigan
 - A portion of units affordable to households at or below **120% of Area Median Income (AMI)**
- Members can participate in one of two ways:
 1. Directly lend to housing development projects or
 2. Indirectly to community development financial institutions (CDFIs) or housing funds.
- Members must limit their spread to **3%** over the subsidized advance rate.

Available Subsidy:
\$6,000,000

Max. Member Subsidy
\$550,000

Applications Open:
❖ July 31
Applications Close:
❖ October 15*

*or when subsidy is depleted,
whichever comes first

Why Are We Doing This?

Community impact

- Reduced development financing costs
- Increased housing supply
- Expanded access to workforce and affordable housing

FHLBank member benefits

- Below-market funding costs
- Competitive lending advantage
- Reasonable spread
- Flexible participation



Housing Supply Advance Basics



Advance rate can be as low as 0%

\$6 million in advance interest subsidies available

Non-depository CDFI member institutions can borrow directly under program (regular collateral requirements apply)

The interest rate on the FHLBank member loan is limited to 300 basis points over the subsidized advance rate

How FHLBank Members Use Program

1) Direct lending to housing development projects

- Provide construction, bridge or permanent financing directly to housing development project and limit spread to 3% on project loans
- Projects must be in Indiana or Michigan and must include a portion of units at $\leq 120\%$ of Area Median Income

2) Indirect lending to CDFI or Housing Fund

- The member will lend to the following entities and limit its spread to 3% on the loans made to:
 - Certified non-depository CDFIs; *or*
 - Regional or state housing funds
- The CDFI or housing fund will then need to:
 - Provide construction, bridge or permanent financing directly to housing project
 - Projects must be in Indiana or Michigan
 - Projects must include a portion of units $\leq 120\%$ of Area Median Income

Housing Project Eligibility Criteria

- Portion of housing units at or below 120% AMI
- Affordability restrictions will need to be finalized prior to construction commencement.
 - **This can be evidenced by:**
 - ✓ Deed restrictions
 - ✓ Covenants
 - ✓ Regulatory agreements
 - ✓ Or similar legally enforceable mechanisms
- Located in Indiana or Michigan
- All development types are eligible, no minimum or maximum unit size
- Developments can include market rate units; commercial components
- Must be able to close on project loan within **180 days** of member advance funding
- Affordable Housing Program (AHP) eligibility criteria:
 - **Eligible:** Projects pursuing a 2026 FHLBank Indianapolis AHP grant; projects supported by or pursuing other FHLBank AHP grants
 - **Ineligible:** Projects supported by FHLBank Indianapolis AHP grants from 2022-2025

Member Advance Requirements

Must complete an application & submit to housing@fhlbi.com

\$550,000 subsidy cap per member

Used to buy down Fixed-Rate Bullet Advance rate

1 Year to 10 Year Term

Advance term cannot be longer than term for loan

All standard capacity, prepayment and activity-stock purchases apply

Calculating subsidy needed

- Each member has access to subsidy calculator on the [MemberLink Portal](#).
- Calculator can be used to determine amount of subsidy needed to obtain desired advance rate.

[Home Dashboard](#) | [Credit Products](#) | [Advances](#) | Housing Supply Rate Buydown Advance

HOUSING SUPPLY RATE BUYDOWN ADVANCE

PROGRAM MATERIALS

Program materials will be made available soon.



APPLICATION: HOUSING SUPPLY RATE BUYDOWN ADVANCE

APPLY NOW



HOUSING SUPPLY RATE BUYDOWN ADVANCE CALCULATOR

Use to determine the amount of subsidy needed to reduce the advance rate.

[CLICK HERE TO VIEW CALCULATOR](#) >>

Calculating subsidy needed

Example: Member desires a 0% advance rate for \$4mm that they plan to lend for eligible purposes. If it was structured as a 3-year term, and given posted advance rate, they would have sufficient subsidy to initiate a 0% rate.

Starting Member Subsidy Allocation	\$550,000	Contact Advances Desk if you have already used part of the subsidy
Amount of Advance	\$4,000,000	Max of \$4,460,648 is supported by starting member subsidy allocation
Advance Term*	3 Year	Select term from dropdown menu
Posted Advance Rate	4.33%	
Member Desired Advance Rate	0.00%	<div style="border: 1px solid black; padding: 5px; color: red;"> Program has a markup limitation of 300 bps, which means the rate of the loan from the member cannot exceed 3%. </div>
Subsidy Amount Needed	\$493,202	
Remaining Subsidy After Advance	\$56,798	

**Term of Advance cannot exceed term of loan to end borrower*

Calculating subsidy needed

Example: Member desires a 0% advance rate for \$2.5mm that they plan to lend for eligible purposes. If it was structured as a 5-year term, and given posted advance rate, they would have sufficient subsidy to initiate a 0% rate with \$49,245 remaining subsidy.

Starting Member Subsidy Allocation	\$550,000	Contact Advances Desk if you have already used part of the subsidy
Amount of Advance	\$2,500,000	Max of \$2,745,854 is supported by starting member subsidy allocation
Advance Term*	5 Year	Select term from dropdown menu
Posted Advance Rate	4.41%	
Member Desired Advance Rate	0.00%	
Subsidy Amount Needed	\$500,755	
Remaining Subsidy After Advance	\$49,245	

Program has a markup limitation of 300 bps, which means the rate of the loan from the member cannot exceed 3%.

*Term of Advance cannot exceed term of loan to end borrower

Calculating subsidy needed

Example: Member desires a 0% advance rate for \$2mm that they plan to lend for eligible purposes. If it was structured as a 10-year term, and given posted advance rate, they would have sufficient subsidy to initiate a 1.5% rate.


Starting Member Subsidy Allocation	\$550,000	Contact Advances Desk if you have already used part of the subsidy
Amount of Advance	\$2,000,000	Max of \$2,073,021 is supported by starting member subsidy allocation
Advance Term*	10 Year	Select term from dropdown menu
Posted Advance Rate	4.80%	
Member Desired Advance Rate	1.50%	<div style="border: 1px solid black; padding: 5px; color: red;"> Program has a markup limitation of 300 bps, which means the rate of the loan from the member cannot exceed 4.5%. </div>
Subsidy Amount Needed	\$530,627	
Remaining Subsidy After Advance	\$19,373	

**Term of Advance cannot exceed term of loan to end borrower*

How to Access Application

- The PDF application is available on the MemberLink Portal
- The application must be submitted to housing@fhlbi.com

HOUSING SUPPLY RATE
BUYDOWN ADVANCE
APPLICATION



Housing Supply Rate Buydown Advance Application

This application will be reviewed by the Community Investment team. If preliminarily approved, the contact person will be notified, and it will be forwarded to the Advances desk for approval.

A. General Information

FHLBank member institution:

Contact: Title:

Address: City: State: Zip:

Phone: Email:

B. Advance Information

Fixed rate bullet is the only eligible advance type, with a maximum term of 10 years. The term of advance cannot be longer than the term of the loan made to the qualifying project sponsor by the

Application Location

[Home Dashboard](#) | [Credit Products](#) | [Advances](#) | [Housing Supply Rate Buydown Advance](#)

HOUSING SUPPLY RATE BUYDOWN ADVANCE



Housing Supply Rate Buydown

Callable Advances

Putable Advances

Community Impact Advance

Housing Supply Rate Buydown Advance

Advance Rates

Overdraft Lines Of Credit

Letters Of Credit



PROGRAM MATERIALS

Program materials will be made available soon.



APPLICATION: HOUSING SUPPLY RATE BUYDOWN ADVANCE

[APPLY NOW! >>](#)



HOUSING SUPPLY RATE BUYDOWN ADVANCE CALCULATOR

Use to determine the amount of subsidy needed to reduce the advance rate.

[CLICK HERE TO VIEW CALCULATOR >>](#)

Application Content

1) Direct lending to Housing Development Projects

- General project details required including development type, location, developer, and income targeting
- General funding sources information
- Certification that project-specific income restrictions will be finalized prior to construction

2) Indirect lending to CDFI or Housing Fund

- CDFI or Housing Fund information collected
- Certification that project-specific income restrictions will be finalized prior to construction
- Project details required for direct lending at time of application will be collected as a reporting requirement

Application Required Signatures

Certification and Signatures

Member certifies that the funding received hereunder shall be used only for the project or Program described herein and that the Member will ensure, at the time of funding, that the project continues to satisfy the Program's requirements. Member shall provide the Bank with such reports or records as the Bank shall request from time to time related to this application and the project. Member represents that the undersigned are fully authorized, based on the condition noted below, to sign this application, and if accepted, to agree to the terms and conditions contained herein on behalf of the Member.

Note: Must be signed by two officers who are authorized on the members' "Certified Resolutions for Advances" to procure advances from the Bank. Please check with the Bank's credit department (800-442-2568) if you are uncertain of current authorizations.

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Authorized signature of FHLBank member

Typed name

Date

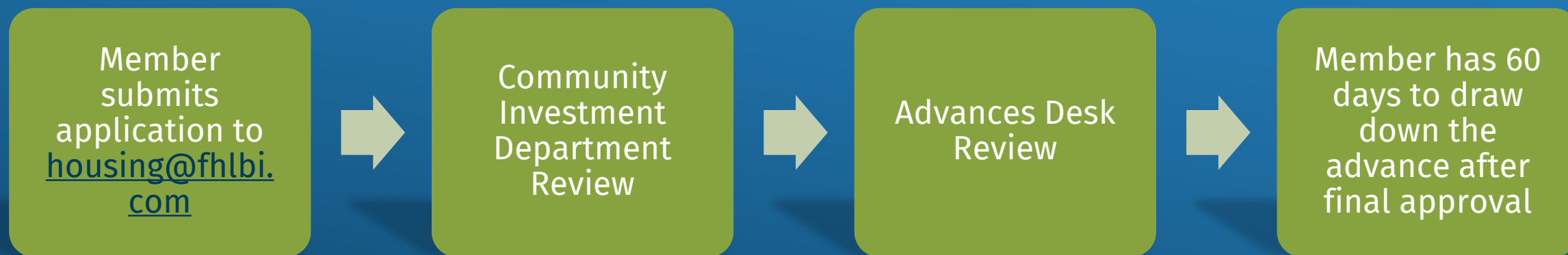
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Authorized signature of FHLBank member

Typed name

Date

Program Process



The application is available on the MemberLink Portal and must be submitted to housing@fhlbi.com.

Reporting Requirements

1) Direct lending to housing development projects

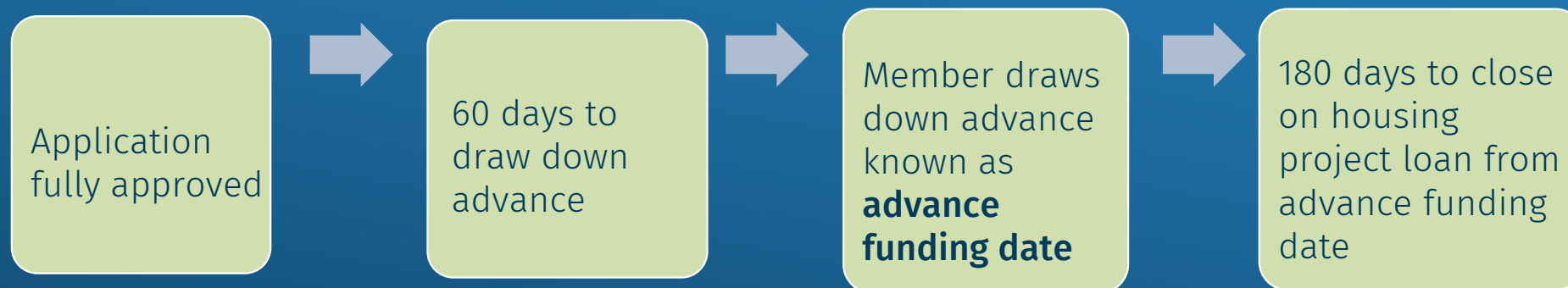
- Within **180 days** of receiving advance, members must:
 - ✓ Confirm funds were passed through
 - ✓ Provide executed loan notes, interest rate/spread, loan terms

2) Indirect lending to CDFI or housing fund

- Within **60 days** of receiving advance, members must:
 - ✓ Provide intermediary executed loan notes, interest rate/spread, loan terms made to CDFI or housing fund
- Within **180 days** of receiving advance, members must:
 - ✓ Submit a list of all project details funded through the CDFI or housing fund

Member Timeline Overview

Direct Project Lending



Indirect Lending to Housing Fund or CDFI



Thank you!

This presentation and an FAQ will be sent to all webinar attendees and posted on the webpage

General Program Eligibility & Application Questions:

- housing@fhlbi.com

Member Advance Requirements:

- Contact your Account Manager
- Contact the Advances Desk
 - 800.442.2568/creditdesk@fhlbi.com

Additional Resources:

- Link to Housing Supply Rate Buydown Advance [webpage](#) – FAQs forthcoming
- [MemberLink Portal](#) (Credit Products/Advances)

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