FHLBANK DALLAS

Member driven.
Community focused.

2025 Targeted Community Lending Plan

I. Introduction

The Federal Home Loan Bank Dallas (FHLB Dallas) is a cooperatively owned wholesale financial institution dedicated to serving its member financial institutions and supporting affordable housing and economic growth. The 2025 Targeted Community Lending Plan identifies significant housing and economic development needs and investment opportunities within the communities our members serve. The FHLB Dallas operates several housing and community investment programs that provide funding our members and their development partners can use to invest in communities, support affordable housing production, assist first-time homebuyers, and finance small businesses, creating longer-term economic and community benefits.

Pursuant to the requirements of 12 CFR 1290.6(a)(5), a Bank's annual Targeted Community Lending Plan adopted under its community support program shall, among other things, identify the significant affordable housing needs in its district that will be addressed through its AHP, as well as any specific affordable housing needs it plans to address through any Targeted Funds as set forth in its AHP Implementation Plan. The FHLB Dallas is not offering an AHP Targeted Fund in 2025.

II. Market Study and Needs Analysis

The FHLB Dallas engaged Enterprise Community Partners to conduct the 2024 Housing and Economic Development Needs Assessment for the Ninth District. The FHLB Dallas 2024 Housing and Economic Development Needs Assessment combines quantitative analysis with a survey of members and community partners to create a comprehensive picture of housing and economic conditions across the District and provide critical feedback regarding FHLB Dallas programs. The goal of the assessment is to facilitate evidence-based decision-making for FHLB Dallas' community investments through 2028.

The quantitative data for the Housing and Economic Development Needs Assessment are largely drawn from the 2017 and 2022 American Community Survey (ACS), the Bureau of Labor Statistics (BLS), the Federal Deposit Insurance Corporation (FDIC), and state and local resources throughout the District. In partnership with FHLB Dallas, the Enterprise Community Partners surveyed the FHLB Dallas members and community partners to better understand the barriers to homeownership, affordable rental housing, and economic development. The survey supplements the quantitative assessment of housing and economic development needs with invaluable local perspectives. Given that the Housing and Economic Development Needs Assessment was completed during the initial months of the pandemic, aspects of the report that reference federal legislation passed during that time are no longer fully applicable.

In addition, the FHLB Dallas will continue to meet with its Advisory Council, community groups, small business development organizations, state housing agencies and FHLB Dallas members on a regular basis to discuss District needs. In addition, the FHLB Dallas continues to enhance its marketing and educational activities for both housing and economic development initiatives.

III. Market Research Analysis Results

Unmet or underutilized opportunities identified by Enterprise Community Partners in the 2024 Housing and Economic Development Needs Assessment for the Ninth District, include:

Housing

- **Provide affordable rental housing.** There is a need for affordable housing for extremely low and very low-income households in all FHLB Dallas District states. There is a shortage of 7.3 million homes for the 11 million renters in District states with extremely low incomes. Programs that support increasing the production and preservation of affordable housing are needed to close the gap in affordable housing.
- **Support pathways to homeownership.** Low- and moderate-income (LMI) households face substantial challenges to homeownership including high mortgage rates and increasing housing and insurance costs. Supporting prospective homebuyers with programs such as low-interest home loans, grants, or downpayment assistance can help more LMI households achieve homeownership. Financial literary can also play a role in readying first-time homebuyers.
- **Support Tribal Nations, Tribally Designated Housing Entities (TDHEs), and Tribal citizens.** Deploying capital while preserving Tribal sovereignty over Tribal lands requires a unique approach. By combining responsive home purchase and development capital with efforts to build relationships between member banks, FHLB programs, and Tribal Nations, lenders can create a process that supports homeownership and economic development on Tribal lands. This approach considers the unique tenure status of Tribal trust lands and connects Tribal communities with necessary resources. FHLB Dallas can enhance outreach to Tribal Nations, Native CDFIs, and other Native-serving organizations on Tribal lands, and can tailor loan products and programs to meet the needs of Tribal communities.
- **Keep people housed.** More than 33,000 residents of District states are experiencing homelessness, and many more live in crowded homes, or are doubled up for economic reasons. Solutions that promote housing stability are needed for both renters and homeowners. Housing providers need capital and subsidies to support the production and preservation of low-cost rental homes for extremely low-income residents, and housing with on-site supportive services. For homeowners, programs that provide temporary forbearance during times of economic strain can help keep people housed.
- **Create resilient housing and communities.** Climate disasters are becoming more frequent. The impact on renters and homeowners is significant, particularly those with the lowest incomes. Recovery from a climate-related weather event can take time; some may not fully recover before the next disaster strikes. Households need resources to withstand and recover from natural disasters, as well as resources to create more climate-resilient homes, helping to mitigate the impact of future disasters.

Economic Development

- **Support small businesses.** Small businesses can provide jobs in a range of industries and are typically locally owned. Providing capital to support the development of growth of small businesses helps create jobs and grows local economies.
- **Support workforce development.** Workforce development efforts should focus on educating individuals for living-wage occupations, as well as supporting industries and businesses that provide living-wage jobs. Career training efforts may include new developing career pipelines with educational institutions, or on-the-job training and apprenticeships. Workforce development also entails making communities attractive to firms through improvements to infrastructure, resources, adequate public facilities, and housing.
- **Increase access to mainstream financial services.** Many households still lack access to mainstream financial services or rely on alternative financial services. This may be due to a lack of physical access or because they cannot afford the fees associated with banking products. Online banking and reduced service fees may support a greater uptake of banking services.

IV. Technical Assistance

The FHLB Dallas provides extensive technical assistance for program users through workshops conducted around the Ninth District, and daily through telephone and electronic communications. Specific activities include the following:

1. **Members Regional Workshops:** Annually, FHLB Dallas conducts training workshops. In 2025, these events will be hosted in person as well as via webinar.

2. **Banking Conferences:** Also, annually, the FHLB Dallas staff may participate in and attend regional banking conferences. Below is a partial list of conferences staff may engage members about the Community Investment Programs of the Bank:
    a. Arkansas Bankers Association Annual Convention
    b. Louisiana Bankers Association Annual Convention
    c. New Mexico Bankers Association Annual Convention
    d. Mississippi Bankers Association Annual Convention
    e. Texas Banker Association Annual Convention
    f. Independent Bankers Association of Texas Annual Convention
    g. Independent Community Bankers Association of New Mexico Annual Convention

3. **Housing Conferences:** Also, annually, the FHLB Dallas staff may participate in and attend housing conferences to not only provide information about the FHLB Dallas community investment programs, but also to stay informed of housing issues. Below is a partial list of conferences to be attended:
    a. Texas Association of Community Development Corp. Annual Conference
    b. Texas Habitat for Humanity Lone Star Summit
    c. Texas (TAAHP) Housing Conference
    d. Mississippi (MHC) Affordable Housing Conference
    e. Louisiana Association of Affordable Housing Providers Annual Housing Conference
    f. Louisiana (LHC) Housing Conference
    g. Mississippi Association of Affordable Housing Providers Annual Housing Summit
    h. New Mexico Mortgage Finance Authority Bi-Annual Housing Summit

4. **Webinars:** The FHLB Dallas utilizes webinars offered to market our products as well as provide technical assistance. During 2024, the FHLB Dallas offered webinars on the AHP, HELP, DRA, SNAP, FORTIFIED, Heirs' Property, NAHO, CBGG, and CANOPY programs. We expect to offer webinars in 2025 covering similar program content.

5. **Technical Assistance:** The FHLB Dallas staff are available daily to assist members, nonprofit organizations, local governments, for-profit developers, and community groups with assistance for affordable housing and community development projects.

V. Programs for 2025

The FHLB Dallas offers the following programs:
1. Housing programs:

a. Affordable Housing Program General Fund (AHP)
b. Homebuyer Equity Leveraging Partnership (HELP)
c. Special Needs Assistance Program (SNAP)
d. Disaster Rebuilding Assistance Program (DRA)
e. Community Investment Program (CIP)
f. Housing Assistance for Veterans Program (HAVEN)
g. FORTIFIED Fund - Homeownership
h. Heirs' Property Program
i. Native American Opportunities (NAHO) Fund (PILOT Program)

2. Community Development programs:
    a. Economic Development Program (EDP)
    b. Small Business Boost (SBB)
    c. Disaster Relief Program (DRP Advance)
    d. Partnership Grant Program (PGP)

The FHLB Dallas offered the following PILOT programs in 2024:

a. Community Development Special Finance Program (CDSFP)
b. Capacity Building and Growth Grant Pilot (CBGG)
c. Community Advancement Through New Opportunities & Partnership (CANOPY)
d. Native American Housing Opportunities (NAHO) Fund

The PILOTS listed above are more fully described in the Section XII of the plan below.

The FHLB Dallas may offer additional assistance programs in events of major natural disasters or tornadoes. These programs are provided on a case-by-case basis depending on the size and scope of the natural disaster.

VI. Lending Programs

The FHLB Dallas offers two primary Advance Programs throughout the year. These are the CIP and EDP Advance programs. Letters of Credit are also offered under the CIP and EDP.

1. CIP provides favorably priced advances to support the financing of housing benefiting families with incomes at or below 115 percent of the area median income.
    a. CIP Advances can be used to:
        - Purchase, refinance, construct or rehabilitate individual owner-occupied housing properties that benefit families with incomes at or below 115 percent of the area median income
        - Purchase, refinance, construct or rehabilitate rental housing or multiple units of owner-occupied housing where at least 51 percent of all families have incomes at or below 115 percent of the area median income
        - Purchase state housing finance agency bonds or mortgage-backed securities representing pools of loans that could be funded directly with CIP advances
        - Purchase a participation interest or provide financing to participate in a loan consortium for housing projects
        - Purchase low-income housing tax credits
        - Make loans to entities that, in turn, provide funding for eligible housing projects
        - Fund CIP eligible loans that originated three months prior to CIP advance

b. Funds are available throughout the year on a non-competitive basis
c. CIP advances may not exceed, at the time the advance is approved the lesser of 15 percent of a member's total assets, or $200 million

2. EDP assists FHLB Dallas members with financing projects that lead to job creation or job retention for low- and moderate-income wage earners or provide services to low- and moderate-income families and communities.
    a. Types of Economic Development Projects:
        - Commercial, industrial, and manufacturing activities
        - Social service and other community or public facility projects and activities
        - Public or private infrastructure projects, such as roads, utilities, and sewers
    b. Funds can be used to:
        - Fund permanent financing to the borrower for economic development projects
        - Purchase a participation interest or provide financing to participate in a loan consortium for economic development projects
        - Make loans to entities that, in turn, make loans for economic development projects
        - Purchase mortgage revenue bonds or mortgage-backed securities, where all loans financed by the bond or all loans backing the securities meet EDP requirements
        - Fund EDP eligible loans that originated 3 months prior to EDP advance
    c. EDP advances may not exceed, at the time the advance is approved the lesser of 15 percent of a member's total assets, or $200 million

3. Disaster Relief Program (DRP) Overview: The DRP was created to finance any project which assists in the recovery efforts in federally declared disaster areas in the FHLB Dallas district. The purpose of the program is to help aid families and individuals whose homes or businesses were damaged or destroyed by natural disasters.

    a. Funds are available for a period designated by FHLB Dallas following a federal disaster.
    b. Funds can be used for residential and commercial properties, community facilities, equipment, inventory, and personal property.
    c. Advances terms range from three months to 30 years.
    d. Disaster Relief advances are priced below the FHLB Dallas regular Economic and Community Development Program rates which are already priced at the FHLB Dallas cost of funds.
    e. Income eligibility limits for Advances are expanded to 165 percent of the area median income.
    f. Member institutions and their customers that are in or have branch offices in the federally designated disaster area(s) may borrow under this program.

VII. Community Investment Products

The FHLB Dallas continually assesses the needs of its members and offers new products and services when market research indicates a need. These programs were established to address the identified needs of the FHLB Dallas district and are adjusted as needed utilizing the 2024 District Needs Assessment Report with input from Advisory Council, community groups, small business development organizations, state housing agencies and Bank members.

1. Small Business Boost (SBB) is intended to fill the gap between what the member can approve, and the loan requested by an eligible small business. SBB funds are disbursed through members to small businesses as

secondary, unsecured loans. Upon approval, the FHLB Dallas provides SBB recoverable assistance to the member, which then in turn makes the SBB loan to the small business. $4,750,000 million in SBB funds is available in 2025. SBB funding is available on a first come, first served basis for transactions that meet the following guidelines:

a. Borrower must be qualified as a small business based on Small Business Administration standards
b. Member must provide at least 40 percent of total financing
c. The maximum SBB loan amount is $125,000 or 50 percent of the member loan to the small business, whichever is less
d. At least one job must be created or retained for every $62,500 in SBB funding or the member may provide evidence of other positive economic impact as result
e. Member must demonstrate how the SBB funds will be used to fill the gap when there is a lack of equity, collateral shortage, or challenges with initial cash flow
f. Businesses may obtain only one SBB loan

2. Partnership Grant Overview: Developed to enhance capacity building for community- based organizations involved in affordable housing programs and small business technical assistance providers within the district.

a. Funds are allocated to members through a lottery system.
b. Member institution cash contribution of $500-$5,000 will be matched at a 5:1 ratio up to a maximum lifetime grant. No in-kind contributions or donations will be matched.
c. Eligible community-based organizations must have an annual revenue at or below the revenue limit noted in the application instructions.
d. $1,000,000 in Partnership Grant funds is available in 2025.

3. Housing Assistance for Veterans Overview: Developed to assist households who have an occupant who became disabled as the result of their active military service. Grant recipients must be qualified as disabled by the Veteran's Administration, a branch of the U.S. Military, the Federal government or other acceptable source. The program is designed to support necessary home modifications and is open to active-duty, reserve or national guard service members as well as veterans.

a. Grant recipients must be qualified as physically disabled or be identified as a Gold Star Family by the Veteran's Administration, a branch of the U.S. Military, the Federal government or other acceptable source.
b. HAVEN funds may not exceed $25,000 per household.
c. Households must have a family income of 165 percent or less of the median income for the area at the time the household is accepted for enrollment by the member in the Bank's program.
d. If a home is being newly constructed and adapted to meet the needs of the veteran or service member, HAVEN funds may be used to offset construction costs.
e. Qualified first-time home buyers may use HAVEN funds to assist with down payment and/or closing costs.
f. $1,000,000 in HAVEN funds is available in 2025.

4. Homebuyer Equity Leverage Partnership Program Overview: Developed following research that showed the biggest barrier to homeownership for many prospective first- time buyers in the Ninth District was the challenge to accumulate enough savings for a down payment.

a. Funds are available for first-time homebuyers for down payment and/or closing costs.
b. Households must have a family income of 80 percent or less of the median income for the area at the time the household is accepted for enrollment by the member in the FHLB Dallas Homeownership Set-Aside program.
c. HELP funds may not exceed $20,000/homebuyer for properties located in Arkansas, Louisiana, Mississippi or outside the Bank's district. The member may not request HELP funds in an amount exceeding $25,000/homebuyer for properties located in New Mexico or Texas.
d. $17,000,000 HELP in funds is available in 2025.

5. Special Needs Assistance Program Overview: Developed to assist special needs households to rehabilitate a single-family home which is used as the household's primary residence. Special Needs means households with elderly, persons with disabilities, persons recovering from physical, alcohol or drug abuse, or persons with HIV/AIDS.

    a. Only special needs households are eligible. The household will qualify if at least one household member meets the special needs definition.
    b. SNAP funds may not exceed $12,000 per household.
    c. Households must have a family income of 80 percent or less of the median income for the area at the time the household is accepted for enrollment by the member in the FHLB Dallas Homeownership Set-Aside program.
    d. $2,000,000 in SNAP funds is available in 2025.

6. Disaster Rebuilding Assistance (DRA) Set Aside Program: In response to recent disasters within the District, the FHLB Dallas may establish and offer the Disaster Rebuilding Assistance Program as an AHP Homeownership Set-Aside program under which the FHLB Dallas disburses AHP direct subsidy to assist households affected by a disaster event in federally declared disaster areas within the district.

    a. Property must be used as a household's primary residence and be in an area in the FHLB Dallas district designated for Individual Assistance by the Federal Emergency Management Agency (FEMA) within the timeframe set by the Bank.
    b. Reimbursement for repair or replacement work is limited to assistance not already paid for by insurance, federal or state emergency assistance or any other funding sources.
    c. Funds are available on a first come, first served basis not to exceed. $15,000/homeowner.
    d. Households must have a family income of 80 percent or less of the median income for the area at the time the household is accepted into enrollment.
    e. $4,000,000 in DRA funds is available in 2025.

7. Affordable Housing Program General Fund (AHP) Overview: AHP funds are intended to assist FHLB Dallas members in financing the purchase, construction and/or rehabilitation of owner-occupied, rental or transitional housing, as well as housing for homeless individuals in their community. AHP funds must be used to benefit households with incomes at or below 80 percent of the median income for the area. Since the AHP's inception in 1990, FHLB Dallas has awarded more than $400.6 million in AHP and AHP set-aside programs, such as HELP and SNAP, have assisted more than 65,000 households. The funding allocation for the AHP General Fund is typically announced in the first quarter of 2025.The FHLB Dallas AHP General Fund is more fully described in the FHLB Dallas AHP Implementation Plan which can be found at

fhlb.com/community-programs.

8. FORTIFIED Fund - Homeownership: The FHLB Dallas will provide grants for income qualified homeowners to replace an existing roof or upgrade the roof on a new construction home to a FORTIFIED Roof. FORTIFIED helps homeowners keep their roof on and keep water out during hurricanes, high winds, hail, and severe thunderstorms

    a. Households must have household income of 120 percent or less of area median income.
    b. The assisted property must be located within the FHLB Dallas five-state district.
    c. Fortified Roof grants up to $15,000 per household for replacement of an existing roof.
    d. Fortified Construction grants up to $7,500 per household for the upgrade to a Fortified Roof on a new construction home.
    e. The commitment and funding process of Fortified Fund – Homeownership grants will be updated in 2025.
    f. $10,000,000 in Fortified Fund - Homeownership is available in 2025.

9. Heirs' Property Program: The FHLB Dallas will provide Heirs' Property grants to increase the capacity of organizations that help prevent or remediate heirs' property issues. Heirs' property is a barrier to the ability to sell, collateralize, improve, or otherwise transfer real estate.
    a. The organization must qualify as a non-profit, governmental entities, or federally recognized tribe.
    b. Reimbursement The organization must be located within the FHLB Dallas district.
    c. For those organizations that have remediated heirs' property related issues, the member may request up to $150,0000. The organization must submit documentation of recent heirs' property remediation including years of remediation experience, related staff, and their experience in property remediation as well as the number of properties by which the organization has cleared titles in the past two years. For those organizations that have provided preventative education and awareness regarding heirs' property related issues, the member may request up to $25,000.
    d. $3,000,000 in Heirs' Property funds is available in 2025

VIII. Native American and Tribal Communities in the Dallas District

The FHLB Dallas continues to identify and assess the affordable housing and community economic development needs of Native Americans and tribal communities in the district. The Dallas district contains 30 Federally recognized tribes, with a total population of over 262,000 people. The highest concentration of federally recognized native tribes are in New Mexico with 23, while there are also three tribes in Texas, three in Louisiana and one in Mississippi. The FHLB Dallas has also determined that there are 21 Tribally Designated Housing Entities & Housing Authorities in the district along with five Native Community Development Financial Institutions (CDFIs) based in the district. Of those Native CDFIs, three are based in New Mexico, one is in Texas and one is in Mississippi.

As noted in the Bank's 2024 District Needs Assessment, attaining homeownership is a key priority for many Tribal citizens within the FHLB Dallas District and nationwide. The necessity of preserving Tribal sovereignty over land, however, has posed challenges for Tribal citizens seeking conventional mortgages for properties in Tribal trust areas due to the fact that the mortgage market in the U.S. is built on collateralized loans secured by the lender's ability to seize both the structure and the land of a foreclosed property, and this process assumes fee simple ownership of land. As a result, Tribal governments, the federal government, and GSEs

have developed lending products and Tribal foreclosure processes that offer access to capital without putting Tribal trust lands at risk, seeking to address the challenges of lending on trust land and meet the demand for homeownership among Tribal citizens. These approaches present a key opportunity for FHLB Dallas member banks and other lenders to provide capital to meet the housing needs of Tribal citizens. Residents of Tribal lands are more likely to own their homes than other District and U.S. residents, but major obstacles remain for households seeking mortgages to purchase or build homes on Tribal lands.

The FHLB Dallas has demonstrated a track record of serving tribal housing needs via the AHP. Since the inception of the AHP, the FHLB Dallas has awarded 28 AHP subsidies supporting tribal housing with 12 tribal communities, on and off reservation trust land totaling $4,889,224. Thus far, the FHLB Dallas has funded $3,228,209 in AHP subsidy to support 369 units of affordable housing.

Although there is regular use of the Dallas AHP General Fund by tribal housing entities in the district, the FHLB Dallas has determined that given the average median income of a tribal household of $39,873 and discussions with our partners in the district, the FHLB Dallas is committed to enhancing our relationships with tribal housing entities and other funders in the district in 2025 as noted in the Initiatives listed in Section XI of the plan below.

In 2024, the Bank launched the one-million-dollar Native American Housing Opportunities (NAHO) Fund to provide grants to support and meet the tribal housing needs in the district. This program is supporting the funding needs to seven tribal designated housing entities in the district including four in New Mexico, one in Louisiana, one in Mississippi and one in Texas.

Lists of the Native CDFIs and Native Housing Entities in the Bank's district and an overview of the AHP Awards for Tribal housing, may be found in the exhibits to the Targeted Community Lending Plan.

IX. 2024 Goals & Results

Lending

1. Commit **$3 million in Small Business Boost** funds to members to encourage small business lending throughout the district. **Results: Committed $3.97 million** (not final at the time of writing) to members to support their small business customers in 2024.

2. Approve 50 CIP/EDP Advance & LOC commitments to members: **Results: Approved 28 CIP/EDP Advances & LOC commitments** (not final at the time of writing) to members to support the financing of affordable housing and economic development activities.

Member Engagement

3. Receive **HELP** applications from a minimum of **70 different members** to support members' community activity throughout the district. **Results: 80 unique members** utilized the HELP program.

4. Commit **$3.0 million FORTIFIED Funds** to promote resilience to future disasters and support member's community activity throughout the district. **Results: Committed $3.98 million** (not final at the time of writing) to members to support resilience housing throughout the district.

5. Received AHP General Fund applications from a minimum of **30 different members** to support member's community activity throughout the district. **Results: 68 unique members** submitted applications for the AHP General Fund.

Outreach and Education

6. Conduct **six in-person workshops** and **three webinars** to increase awareness and participation in AHP General Fund, Set-aside programs and Voluntary programs. **Results: eight in-person workshops** and **six webinars** were conducted.

    a. Promote the webinars to members and housing associate members to reach **60 unique members** as measured by AHP workshop webinar attendance. **Results: 122 unique members** attended the AHP workshops.

7. Participate in a minimum of **10 housing and/or economic development conferences** conducted by third-party housing organizations throughout the district. These events may be virtual or in-person. **Results:** Participated in **23 housing/economic development conferences** (not final at the time of writing).

IX. 2025 Goals

Lending

1. Commit **$4 million in Small Business Boost** funds to encourage small business lending throughout the district.

2. Increase **CIP/EDP Advance & LOC commitments ($) to members by 37.5%** over 2024 results.

Member Engagement

3. Receive **HELP** applications from a minimum of **70 different members** to support member's community activity throughout the district

4. Commit **$10 million in FORTIFIED Fund – Homeownership and Rental grants** to promote resilience to future disasters and support member's community activity throughout the district.

5. Receive **AHP General Fund** applications from a minimum of **45 different** members to support member's community activity throughout the district.

Outreach and Education

6. Conduct **six in-person workshops** and **five webinars** to increase awareness and participation in AHP General Fund, Set-Aside programs, and Voluntary programs. The following outcomes are the goal:

    a. In person events: **75 unique members** attendance
    b. Webinars: **80 unique members** attendance

7. Participate in a minimum of **12 housing and/or economic development conferences** conducted by third-party housing organizations throughout the district. These events may be virtual or in-person.

X. 2025 Initiatives

1. Develop and launch a FORTIFIED Fund program that supports rental housing.

2. To improve member utilization, streamline the CIP/EDP programs and enhance the promotion of the CIP and EDP Advance programs to members.

3. Develop a Native American/Tribal program that specifically supports tribal member homeownership with grants for down payment and closing costs.

4. Conduct targeted outreach to State Housing Agencies in the district to determine their needs and how we can further support their mission.

5. Conduct targeted outreach to Tribal Housing Entities in the district, as well as Native CDFIs, the New Mexico Tribal Homeownership Coalition and the New Mexico MFA about the benefits of the AHP in supporting affordable housing on native lands.

6. Coordinate activities in area of mutual interest with Freddie Mac, which may include, but not limited to jointly supporting Native/Tribal homeownership, Native Homebuyer Education or supporting State HFA's.

XII. Conclusion

These goals and initiatives coupled with the programs described here-in help the FHLB Dallas provide resources to our financial institution members to meet the needs in their communities as well as address those needs identified in the 2024 District Needs Assessment Report. With regards to the focal points of the Community Lending Plan Goals: Lending, Member Engagement, and Outreach & Education, the following describe how our Community Investment products and advances address the identified needs in the FHLB Dallas district:

Lending: The advance programs along with the FHLB Dallas Small Business Boost program provide members with low-cost financial options to support small businesses and economic development throughout the FHLB Dallas district. The programs address the identified Economic Development needs of stabilizing Small Business, support for vulnerable workers and support workforce development by providing members with multiple options to fund small business lending.

Member Engagement: Having a wide variety of members enrolled in and utilizing the FHLB Dallas Community Investment programs increase the opportunity to more broadly address the range of needs identified in the FHLB Dallas District Needs Assessment. Continuing to engage our membership with the HELP program promotes sustainable homeownership by supporting lending to first time homebuyers, while member engagement in SNAP helps address the identified needs to keep people housed and support accessible housing. Expanding the objective metrics to include member engagement with the AHP General Fund helps address the need to support affordable rental housing in the district. In 2024, The Bank introduced four new

pilot programs. Three targeted the needs of non depository Community Development Financial Institutions and the fourth provided grants to Native American housing entities. The following describes each program:

Community Development Special Finance Program (CDSFP)

FHLB Dallas will provide a more favorable haircut to members who pledge single-family residential loans to certain income qualified borrowers. The pilot will support FHLB Dallas members, with a reduced collateral haircut (12 percent) for qualifying mortgage loans to certain income qualified borrowers (CDSFP Income Qualified Single-Family Residential loans or "CDSFP Qualified Loans"). The maximum amount of CDSFP Qualified Loans to be pledged under the Pilot Program is $200 million (after pricing and haircuts). Began March 1, 2024, and is open for two years.

Capacity Building and Growth Grant Pilot (CBGG)

Through the pilot, FHLB Dallas allocated $3.4 million in CBGG grants as well as FHLB Dallas staff expertise to CDFIs. The pilot will increase CDFIs' ability to support affordable housing, small businesses and community economic development. The program began on March 5, 2024. In August 2024, $3,399,287 in grants were made to member and non-member non-depository CDFIs in FHLB Dallas' District. These grants were made to improve the ability of non-depository CDFIs' to support affordable housing, small business and community economic development. Seven CDFI members and seven CDFI non-members were awarded monetary grants by the CBGG. The CBGG program's impact will be evaluated in 2025 based on the results reported by awardees. It is not anticipated for CBGG to be offered in 2025.

Community Advancement through New Opportunities & Partnerships Yielding Results (CANOPY) Fund

FHLB Dallas will make available $35 million for unsecured loans to non-depository Community Development Financial Institution (CDFI) members to support affordable housing and economic development lending programs in Arkansas, Louisiana, Mississippi, New Mexico and Texas. Terms up to 10 years with the potential for five one-year renewal options are available. CANOPY promotes sustainable homeownership opportunities and community economic development, primarily supporting underserved, rural and low- to moderate-income households and communities in the district via financing to non-depository CDFI members. CANOPY Fund borrowers enter into loan agreements with the Bank that define the terms of the borrowing arrangement. The Bank's 2024 objective was to commit $35 million in long-term loans to non-depository CDFI members to support affordable housing and economic development in Arkansas, Louisiana, Mississippi, New Mexico and Texas. The pilot will end on December 31, 2026.

One secondary but important result of these three CDFI oriented pilots is that three non- depository CDFIs joined the Bank as members in 2024.

Native American Housing Opportunities (NAHO) Fund

FHLB Dallas allocated $1 million in NAHO Fund grants to federally recognized tribes and Tribally Designated Housing Entities (TDHEs) to support housing needs of tribal members. The fund provides grants to federally recognized tribes and TDHEs to help meet the housing needs of their tribal members. The program began on June 3, 2024, and $1 million in awards to seven federally recognized tribes and Tribally Designated Housing Entities were announced in August 2024. Seven members in four states participated in the pilot. The NAHO program is planned to be offered again in 2025.

Outreach and Education: Education and outreach to our members and their community members are important to the success of our programs in addressing the needs in the FHLB Dallas district. With regard to disaster resiliency, our ability to effectively communicate and deliver assistance to our members on a timely basis is critical whether through the DRA or DRP programs or a more tailored approach to each event such as the Special Partnership Grant Program in response to COVID-19 or the Hurricane Recovery Grant program that assisted member employees that are harmed by hurricanes.

The FHLB Dallas also supports the financial education of low- to moderate-income people by not only supporting non-profit organizations that provide this training through the Partnership Grant Program, but also by providing funds to support homebuyer education via the HELP program. Financial education is an important part of improving access to traditional financial services for low- to moderate-income people. In 2025 we plan to explore opportunities with State Housing Finance Agencies in our district, as well as Freddie Mac, to expand how we provide financial education.

In the spirit of the FHLBank System 100 report issued by the FHFA in November 2023, the FHLB Dallas is committed to improving climate resiliency, expanding our financial support of non-depository CDFIs in our fie state district, and increase Native American and tribal community access to our products and services.

Resilient Housing: There is a longer-term, but urgent need to promote resilience to future disasters. To help facilitate this, the Bank continued to offer a resilient housing scoring element in the AHP General Fund for 2024 and will maintain it in 2025. Within the FHLB Dallas District Priority, scoring for Resilient Housing, includes points for qualified housing projects built to the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED building standard. FORTIFIED is a certification designed to minimize damage from a Category 3 hurricane such as those from Hurricane Ida that struck Louisiana in 2021. This standard includes a highly engineered roof system and a continuous load path which ties the structure of the house together and redistributes extreme wind to the foundation of the building. Les Maisons de Bayou Lafourche is an affordable rental housing project located in Lockport Louisiana that was struck by Hurricane Ida. This property, which received the first FORTIFIED Multifamily™ designation ever issued by the IBHS, was funded in part by an FHLB Dallas AHP subsidy. In seeing the successes of Les Maisons de Bayou Lafourche with handling the winds of Hurricane Ida, the FHLB Dallas determined through additional research that incenting and supporting the implementation of the FORTIFIED standard with the AHP General Fund scoring was an important step in promoting resiliency in the face of future natural disasters that may impact the Dallas district. In 2024, the FHLB Dallas continued and expanded its voluntary program to support the construction and retrofitting of owner-occupied homes to be certified under the FORTIFIED Roof designation. We believe that building stronger affordable housing structures via FORTIFIED will help those who can least afford to lose their homes to quickly return to their homes after a natural disaster.

In 2024, the FORTIFIED Fund received more the $4 million in requests to support new roofs on over 300 homes. This program will be continued in 2025.

In the spirit of the Federal Housing Finance Strategic Plan, the FHLB Dallas is committed to helping ensure that the AHP General Fund provides subsidies to all five states in the Dallas district. As such, in 2024, the FHLB Dallas continued to offer additional scoring for AHP General fund applicants with projects located in the states of New Mexico and Arkansas. In 2024, this change in scoring led to two AHP General Fund application approvals in New Mexico and one AHP General Fund application approval in Arkansas. The FHLB Dallas expects to adjust the scoring for this factor in 2025 based on these results. A chart with this AHP award data is

provided as an exhibit to this plan.

As the need for energy efficient housing remains, the FHLB Dallas continues to incent the construction of energy efficient and green building by recognizing a number of key green building and energy efficiency designations in the 2024 AHP General Fund scoring. This type of construction not only helps save residents money on utility costs but may also have positive environmental impacts. These designations are utilized by at least one of the five state housing agencies' Qualified Action Plans (QAPs) in the district so that affordable housing developers throughout the district can better coordinate their AHP General Fund application with the priorities of their state HFA.

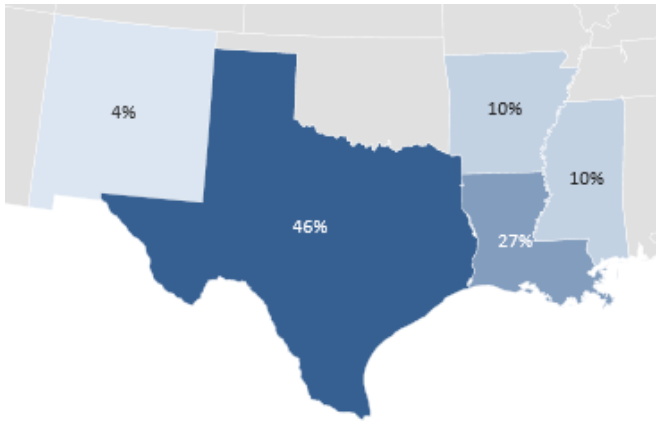
Lastly, the FHLB Dallas will address the needs for affordable rental housing via the AHP General Fund. The FHLB Dallas in consultation with its Affordable Housing Advisory Council has established aspects of the 2024 & 2025 AHP General Fund scoring criteria to further support this need. First, the Implementation Plan provides points in the FHLB Dallas District Priority section for rental housing projects. To address the need for housing the homeless in the district, the FHLB Dallas chose to continue a scoring category for homeless housing for 2025. The FHLB Dallas also recognizes that the cost of developing affordable rental housing is increasing. As such, the FHLB Dallas in also maintaining a high maximum AHP award per project. Details of these changes may be found in the FHLB Dallas 2025 AHP Implementation Plan located at *fhlb.com/community-programs*.

This Targeted Community Lending Plan was reviewed and approved by the FHLB Dallas Board of Directors on December 5, 2024.

2025 TCLP Exhibits

2025 AHP General Fund Scoring: History of AHP Approvals

State	Apps Approved 2024	Apps Approved 2023	Apps Approved 2022	Apps Approved 2021	Apps Approved 2020	Total	% of Total since 2019
Arkansas	1	11	2	2	2	18	10%
New Mexico	2	2	1	2	1	7	4%
Louisiana	11	10	9	4	12	46	27%
Mississippi	4	3	2	4	5	18	10%
Texas	23	17	11	10	18	79	46%
Out of Dist.	0	0	1	4	0	5	3%
Total	41	43	26	26	38	173	



Native American Presence in the District

FHLBANK DALLAS

- 30 Federally Recognized Tribes
- Tribe Count by State: 3 in TX, 3 in LA, 1 in MS, 23 in NM
- 262,606 Total Population
- $39,873 Average Median Income
- 5 Native CDFIs
- 21 Tribally Designated Housing Entities & Housing Authorities

AHP Projects on Tribal Lands

FHLBANK DALLAS

Tribe Name	State	# Grants	Amount	Funded	Units
Tunica-Biloxi Reservation and Off-Reservation Land Trust	LA	2	$75,224	$35,224	4
Mississippi Choctaw Reservation	MS	1	$217,000		
Isleta Pueblo	NM	1	$40,000	$8,000	1
Jemez Pueblo	NM	2	$268,000	$100,000	20
Mescalero Reservation*	NM	2	$950,000	$950,000	75
Navajo Nation Reservation and Off-reservation Trust Land	NM	2	$425,000	$42,500	4
Ohkay Owingeh	NM	4	$794,000	$422,000	41
Picuris Pueblo	NM	4	$432,000	$431,348	58
Pueblo of Pojoauqe and Off-Reservation Trust Land	NM	4	$706,000	$466,000	58
San Felipe Pueblo	NM	2	$175,000	$175,000	35
San Ildefonso Pueblo and Off-Reservation Trust Land	NM	1	$120,000	$120,000	12
Santo Domingo Pueblo	NM	3	$687,000	$478,137	61
	Totals	**28**	**$4,889,224**	**$3,228,209**	**369**

*Active Projects

Federally Recognized Tribes in the District

FHLBANK DALLAS

Tribe Name	State	Population	Median Household Income	Federally Recognized?
Alabama-Coushatta Reservation and Off-Reservation Land Trust	TX	680	$ 47,500.00	Yes
Kickapoo (TX) Reservation and Off-Reservation Land Trust	TX	515	$ 25,417.00	Yes
Ysleta del Sur Pueblo and Off-Reservation Land Trust	TX	1,219	$ 38,125.00	Yes
Chitimacha Reservation	LA	617	$ 43,750.00	Yes
Coushatta Reservation and Off-Reservation Land Trust	LA	99	$ 38,333.00	Yes
Tunica-Biloxi Reservation and Off-Reservation Land Trust	LA	153	$ 63,312.00	Yes
Mississippi Choctaw Reservation	MS	8,013	$ 32,742.00	Yes
Acoma Pueblo and Off-Reservation Trust and	NM	2,788	$ 46,397.00	Yes
Isleta Pueblo	NM	3,881	$ 39,183.00	Yes
Jemez Pueblo	NM	2,059	$ 41,458.00	Yes
Jicarilla Apache Nation Reservation and Off-Reservation Trust Land	NM	3,356	$ 46,042.00	Yes
Laguna Pueblo and Off-Reservation Trust Land	NM	3,901	$ 34,063.00	Yes
Mescalero Reservation	NM	3,834	$ 34,093.00	Yes
Nambe Pueblo and Off-Reservation Trust Land	NM	1,656	$ 47,167.00	Yes
Navajo Nation Reservation and Off-reservation Trust Land	NM	172,813	$ 28,052.00	Yes
Ohkay Owingeh	NM	6,176	$ 36,010.00	Yes
Picuris Pueblo	NM	2,134	$ 30,489.00	Yes
Pueblo de Cochiti	NM	1,636	$ 46,429.00	Yes
Pueblo of Pojoauqe and Off-Reservation Trust Land	NM	3,317	$ 51,061.00	Yes
San Felipe Pueblo	NM	3,394	$ 42,083.00	Yes
San Illdefonso Pueblo and Off-Reservation Trust Land	NM	1,980	$ 54,327.00	Yes
Sandia Pueblo	NM	5,126	$ 38,873.00	Yes
Santa Ana Pueblo	NM	779	$ 43,750.00	Yes
Santa Clara Pueblo and Off-Reservation Trust Land	NM	11,761	$ 37,079.00	Yes
Santo Domingo Pueblo	NM	2,941	$ 34,356.00	Yes
Taos Pueblo and Off-Reservation Trust Land	NM	5,132	$ 34,219.00	Yes
Tesuque Pueblo and Off-Reservation Trust Land	NM	1,004	$ 38,269.00	Yes
Ute Mountain Reservation and Off-Reservation Trust Land	NM	1,701	$ 21,972.00	Yes
Zia Pueblo and Off-Reservation Trust Land	NM	939	$ 43,182.00	Yes
Zuni Reservation and Off-Reservation Trust Land	NM	9,002	$ 38,445.00	Yes

Tribally Designated Housing Entities & Tribally Designated Housing Authorities

FHLBANK DALLAS

Louisiana

Tribe	TDHE/TDHA	City
Chitimacha Tribe	Chitimacha Tribe Housing Authority	Charenton

Mississippi

Tribe	TDHE/TDHA	City
Mississippi Band of Choctaw Indians	Choctaw Housing Authority	Choctaw

Texas

Tribe	TDHE/TDHA	City
Alabama-Coushatta Tribe of Texas	Alabama-Coushatta Tribe of Texas Housing Authority	Livingston

New Mexico

Tribe	TDHE/TDHA	City
Jicarilla Apache Nation	Jicarilla Apache Housing Authority	Dulce
Ohkay Owingeh	Ohkay Owingeh Housing Authority	Ohkay Owingeh
Pueblo de Cochiti	Pueblo de Cochiti Housing Authority	Cochiti
Pueblo of Acoma	Pueblo of Acoma Housing Authority	Acoma
Pueblo of Isleta	Isleta Pueblo Housing Authority	Isleta
Pueblo of Jemez	Pueblo of Jemez Housing Authority	Jemez
Pueblo of Laguna	Laguna Housing Dev. & Management Enterprise	Laguna
Pueblo of Nambe	Nambe Pueblo Housing Entity	Santa Fe
Pueblo of Pojoaque	Pueblo of Pojoaque Housing Corporation	Santa Fe
Pueblo of San Felipe	San Felipe Pueblo Housing Authority	San Felipe
Pueblo of San Ildefonso	San Ildefonso Housing Authority	Santa Fe
Pueblo of Sandia	Pueblo of Sandia Housing Department	Bernalillo
Pueblo of Santa Ana	Tamaya Housing Incorporated	Santa Ana
Pueblo of Santa Clara	Santa Clara Pueblo Housing Authority	Espanola
Pueblo of Taos	Taos Pueblo Housing	Taos
Pueblo of Zia	Pueblo of Zia Housing Services	Zia

Pueblo of Zuni Santo Domingo Tribe	Zuni Housing Authority Santo Domingo Tribal Housing Authority	Zuni San Domingo

Native Community Development Financial Institutions

Native CDFI's based in the in the Dallas district.

Institution Name	City	State	Rural (Y or N)	Member
Native Partnership For Housing, Inc.	Gallup	NM	Y	N
Native Community Capital	Laguna	NM	Y	N
Tiwa Lending Services	Isleta	NM	Y	N
Tigua Community Development Cooperation	El Paso	TX	N	N
Choctaw (Credit Union)	Choctaw	MS	Y	N