FHLBank INDIANAPOLIS







Targeted Community Lending Plan

2025











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1: BACKGROUND

The Community Investment Cash Advance (CICA) Regulation, 12 C.F.R. Part 1292, requires each FHLBank to develop a Targeted Community Lending Plan. This plan is approved by the FHLBank's board of directors and requires each FHLBank to:

- Conduct market research in its district.
- Describe how it will address the identified credit needs and market opportunities.
- Consult with its Advisory Council, members, non-member borrowers and public and private economic development organizations in its district.
- Identify and assess any specific affordable housing needs addressed through the option of Targeted Funds.
- Establish quantitative community lending performance goals.

The CICA regulation defines community lending as "providing financing for economic development projects or activities for targeted beneficiaries." The Federal Home Loan Bank of Indianapolis' (FHLBank Indianapolis or the Bank) 2025-2027 Strategic Business Plan, the 2025-2027 OMWI Strategic Plan, the 2025 Affordable Housing Program Implementation Plan and this plan will provide a comprehensive approach to serving our members using all the FHLBank Indianapolis's products and services.

The Strategic Business Plan focuses on four Significant Business Activities for progress (Advances, MPP, Community Driven Activities, and Capital and Balance Sheet Management) that are designed to deliver results while carefully balancing risk appetite. Our core mission is to provide a reliable source of liquidity to member banks, credit unions, community development financial institutions and insurance companies to support housing finance, asset-liability management, and community lending. We also help communities and families through grants and low-cost loans to our members that help support affordable housing and economic development initiatives.

On Nov. 7, 2023, The Federal Housing Finance Agency released the report "FHLBank System at 100: Focusing on the Future" for all Federal Home Loan Banks. The report is the Agency's comprehensive review of the Federal Home Loan Bank system in anticipation of the System turning 100 in 2032. The report provides recommendations on how the FHLBank System could effectively fulfill its mission. FHLBank Indianapolis utilized the report to seek alignment with the strategies identified in the Targeted Community Lending Plan.

2: MARKET NEEDS ASSESSMENT

Introduction

To ensure FHLBank Indianapolis is implementing effective affordable housing and economic development programs and products to address the needs throughout its district of Indiana and Michigan, the Community Investment Department (CID) commissioned a housing and community needs assessment from Atria Planning in 2023. The "Bridging the Gap: Housing and Community Needs in Indiana and Michigan" Needs Assessment report (Needs Assessment) provides a comprehensive analysis of affordable housing and community development needs across the district by evaluating a variety of sources including national, regional, and state quantitative data along with qualitative data from existing studies and reports. The Needs Assessment also collected community and affordable housing industry feedback from focus groups, stakeholder interviews and an online survey of stakeholders. Throughout the development of the Needs Assessment, guidance and input from the Affordable Housing Advisory Council was considered. FHLBank Indianapolis will utilize this needs assessment for a three-year cycle. The Executive Summary and Recommendations of the Needs Assessment is provided in this section along with relevant yearly updates from national data sources. The entire Needs Assessment along with additional Community Investment program, state, district, and regional research was used to inform the FHLBank Indianapolis' strategy to help address affordable housing and community development needs. The complete Needs Assessment can be found on the Bank's website, https://www.fhlbi.com.

Housing Market Conditions

Since the COVID-19 pandemic of 2020, housing prices throughout the district continue to see a dramatic increase. As a result, according to the Needs Assessment, housing affordability problems have reached middle income households in high-priced markets, while low-cost markets — disproportionately low-income communities of color — are losing their supply of "naturally affordable" housing stock.

Low-income residents are now at a greater risk of displacement and even homelessness because housing utilizes an excessive portion of their income, leaving little for other necessities like food and healthcare.

Non-profit organizations and the public sector have more opportunity to revitalize undervalued areas in partnership with private interests. However, reinvestment activity should preserve existing affordable housing to mitigate the threat of gentrification. Housing prices and construction costs have increased across the board throughout the U.S., including in the FHLBank Indianapolis district. Nonetheless, home prices are less expensive in Indiana and Michigan than in most of the country. According to the Needs Assessment, America's housing market has become so expensive for the average household that the Midwest may benefit from its portion of affordably priced homes by attracting new residents outpriced in their hometown markets. However, this can cause even larger constraints on the district's low-moderate income families as there continues to be a significant shortage of affordable and available units for households at the lower range of the income scale, as shown below in the National Low Income Housing Coalition's Housing Needs by State Report. The report indicates an overall shortage of 328,213 rental homes in the district that are affordable and available for extremely low-income renters, defined as those earning less than 30% of Area Median Income and not paying over 30% of their income on housing.

Indiana's Housing Needs by State Report from the National Low Income Housing Coalition, 2024

KEY FACTS

209,710 OR **26%**
Renter households that are extremely low income

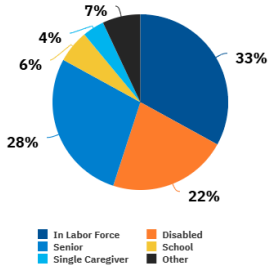
-139,318
Shortage of rental homes affordable and available for extremely low income renters

$28,390
Average income limit for 4-person extremely low income household

$45,913
Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

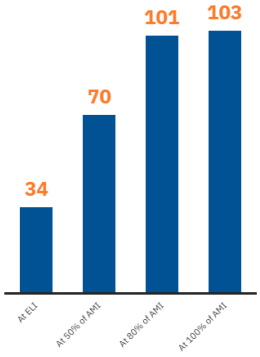
76%
Percent of extremely low income renter households with severe cost burden

EXTREMELY LOW INCOME RENTER HOUSEHOLDS



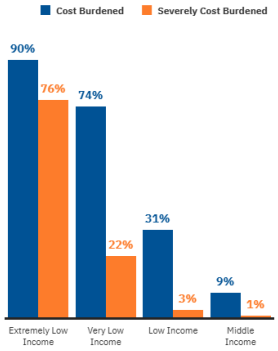
Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or a person with a disability, and other. Thirteen percent of extremely low-income renter households include a single adult caregiver, 53% of whom usually work at least 20 hours per week. Eleven percent of extremely low-income renter householders are enrolled in school, 48% of whom usually work at least 20 hours per week. Source: 2022 ACS PUMS
Source: 2022 ACS PUMS

AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: 2022 ACS PUMS

HOUSING COST BURDEN BY INCOME GROUP



Note: Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.
Source: 2022 ACS PUMS

Michigan's Housing Needs by State Report from the National Low Income Housing Coalition, 2024

KEY FACTS

299,020 OR **27%**
Renter households that are extremely low income

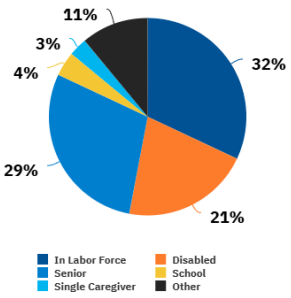
-188,895
Shortage of rental homes affordable and available for extremely low income renters

$28,030
Average income limit for 4-person extremely low income household

$48,169
Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.

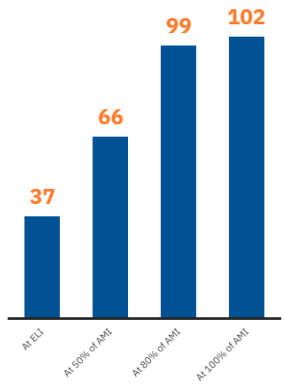
71%
Percent of extremely low income renter households with severe cost burden

EXTREMELY LOW INCOME RENTER HOUSEHOLDS



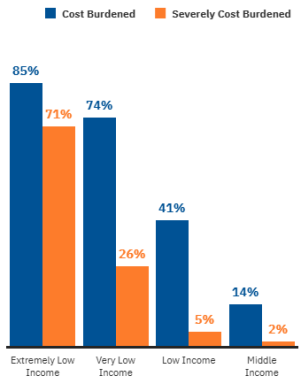
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AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: 2022 ACS PUMS

HOUSING COST BURDEN BY INCOME GROUP



Note: Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.
Source: 2022 ACS PUMS

Affordability

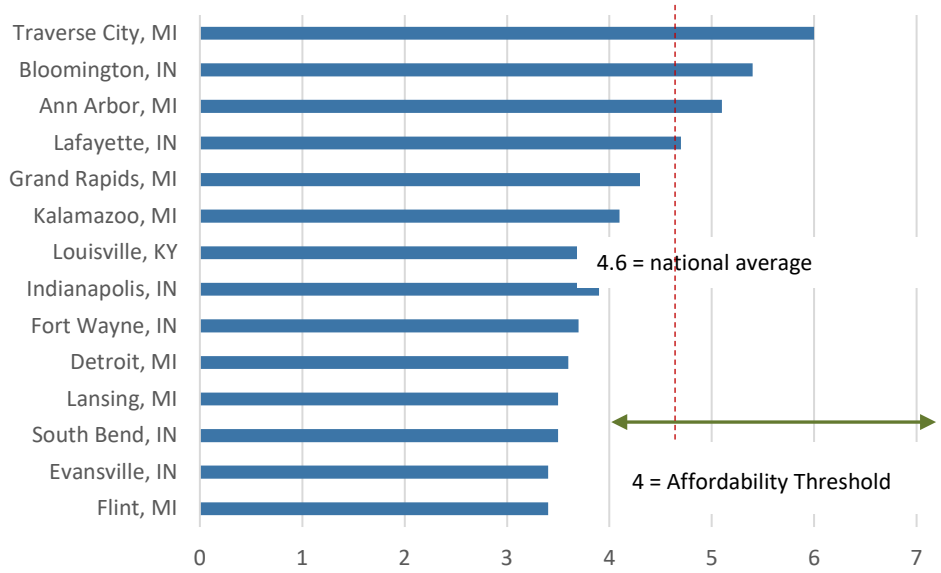
Between 2019 and 2023, the average home price in the U.S. increased 48% and the typical rent increased 30%, according to Zillow, ZVHI and ZORI databases. Average wages also rose during this same time (11% increase), but not enough to keep up with housing prices, as shown in the American Community Survey 2017-2021. As a result, housing affordability is a major problem in most American metro areas.

The housing markets in the district followed national trends, with home prices increasing between 30% and 40% during this period. Because the prices were lower than the national average to begin with, housing in the district is still relatively affordable with notable exceptions.

When comparing home prices to median income (a standard test for affordability), Lafayette and Bloomington in Indiana and Traverse City and Ann Arbor in Michigan, are unaffordable housing markets as detailed in the chart below.

Housing advocates in these markets are describing an affordable housing "crisis," where the local workforce cannot afford rent and middle-income families cannot afford to buy a home. The data validates these claims; these four market areas have bigger affordable housing problems than the national average as supported by the American Community Survey 2017-2021 and Zillow ZHVI.

Home Price to Income Ratio Measuring Affordability in Housing Markets within the District, 2023



Sources: ACS 2017-2021 and Zillow ZHVI

Meanwhile, distressed communities with historically low property values are now finding affordability to be the primary housing issue.

Non-profit organizations surveyed for the Needs Assessment are reporting first-time homebuyer program participants are being priced out of the market. Additionally, tenant advocacy groups who shared during focus groups for the Needs Assessment are decrying extreme rent hikes as a means toward gentrification. According to The Fair Housing Center of Central Indiana's 2022 report, "The State of Fair Housing in Indiana — Our Changing

Neighborhoods: The Impact of Investors, Foreclosures, and Mortgage Lending," more than half the home mortgages underwritten in neighborhoods surrounding downtown Indianapolis were for households that earned twice the neighborhood median income.

According to the Needs Assessment, historically undervalued neighborhoods of Detroit and Indianapolis that are predominantly communities of color are experiencing this challenge while Gary, Indiana and Flint, Michigan have some of the highest price increases since the pandemic. The typical home price increased more than 50% in these two markets in just three years, based on Zillow ZHVI data.

An issue impacting Indiana and Michigan is the loss of "naturally affordable" housing. These are homes in the marketplace, which are affordable for low- and moderate-income households without any government subsidy. As prices have skyrocketed, the supply of these units has sharply declined since 2020.

Additionally, many subsidized apartments managed by housing authorities or with Low Income Housing Tax Credits are aging and will require substantial renovations to remain in use. There are approximately 30,000 tax credit units with expiring affordability contracts in the next five years in the district. These developments are at risk of converting to market-rate housing without additional subsidy.

Development costs are also more expensive due to material and labor shortages, higher acquisition costs and high interest rates. Between 2021 and 2022, development costs per unit increased between 11% and 14%. It now costs $250,000 to $300,000 to build a one-bedroom apartment and $350,000 to $400,000 to build a modestly sized single-family home in the district based on RSMeans Data, a database of current construction cost estimates.

Construction Costs in Market Areas within the District, 2022

	Cost per square foot		
	Multi-Family	Single Family	1-Year Change
Detroit	$323.39	$213.38	11.9%
Flint	$301.60	$199.00	11.5%
Lansing	$304.64	$201.01	11.3%
Grand Rapids	$294.92	$194.60	11.4%
Indianapolis	$301.53	$198.96	13.0%
Gary	$322.39	$212.72	9.9%
South Bend	$299.73	$197.77	12.1%
Fort Wayne	$289.87	$191.26	13.8%

Source: RS Means

With development costs this high, affordable housing developers are finding it increasingly difficult to finance new projects even with subsidies.

This is a major challenge in areas with a shortage of rental housing. College towns, retiree communities and rural areas do not have enough apartments to support existing residents and workers. The challenge of adding new rental units in these markets extends beyond development costs. Community opposition, zoning problems, lack of infrastructure and limited development capacity, make it difficult to build new apartments in places like Traverse City, Michigan, Bloomington, Indiana and rural employment hubs.

Rehabilitation of existing homes may be a more viable solution for increasing affordable housing stock. Detroit Future City analyzed development costs for community-driven home rehabilitation programs in the city. Among

nine case studies from Detroit Future City and Enterprise Community Partners', "Rebuilding Home: Community-Driven Single-Family Rehabilitation Models for Long-Term Stability," Oct. 2020, found that home rehabilitation costs per square foot were 30% - 50% lower than new construction.

The problem with home rehabilitation programs is that the cost of rehabilitation, although lower than new construction, is often higher than the property's market value once the project is complete.

Evictions

According to the data collected through the Needs Assessment, the upward pressure of the housing market has a domino effect; when households move to neighborhoods or cities more affordable to them, they raise the prices for everyone else. This pattern continues until the least expensive pool of housing units is reached. When the rents increase for these units, the existing renters do not have more affordable housing options to move into. They face the greatest risk of evictions and homelessness.

According to the National Low Income Housing Coalition, "Children Face Highest Risk of Eviction," Oct. 10, 2023, based on a study sponsored by Princeton University's Eviction Lab, evictions disproportionately impact children and Black families; 40% of all individuals issued an eviction are children. According to the Needs Assessment, Black renters are four times more likely to be evicted than white renters. Alarmingly, 12% of Black families with children are evicted every year, a rate that is three times higher than white families with children.

Providing support to very low-income families when rent prices have skyrocketed has become increasingly important to prevent evictions and homelessness. This includes emergency rental assistance, mediation services between tenants and landlords and improved tenant protections to stop arbitrary evictions or aggressive rent increases.

Providing services for persons experiencing homelessness or who otherwise need support is also more difficult. Without low-cost permanent housing for formerly homeless individuals to transition into, they remain in shelters and temporary housing that could be available to those without shelter.

Heirs' Rights

When an owner passes away without a formal will or without a clear title to the home, the rightful heirs face a litany of challenges to take ownership. According to the Needs Assessment, this disproportionately impacts African American households, who are less likely to have an estate plan than white families and are less likely to have clean title on their home, according to the Economic Policy Institute.

According to the Needs Assessment, before the Fair Housing Act, most of the homes purchased by African Americans were cash purchases without the involvement of a lender or title company. As a result, many deeds were not recorded. When the original owner passes on, the process of legally transferring ownership without a deed is costly.

Heirs without a deed are often required to hire legal counsel to research and resolve title issues and file the necessary paperwork in probate court. Heirs with limited financial resources are hard-pressed to afford attorney fees that can be upwards of $5,000. In numerous circumstances, the heirs take physical possession of the home without legal possession. Additionally, homeowners without a clean title are not eligible for a variety of federal assistance programs. They are barred from receiving CDBG home repair assistance and disaster relief after a major

disaster. They do not qualify for the homestead exemption and pay more in property taxes. They also cannot take out a loan on the property to fund repairs or start a business.

There has been limited data within the FHLBank Indianapolis district on the full extent of heirs' rights issues. However, two reports were released in 2024 specifically detailing data in Detroit, Michigan and in Marion and Allen Counties in Indiana.

In February 2024, Detroit Future City published a report entitled "Keeping Your Family Home: Addressing the Challenges of Inherited Properties in Detroit." The report found that Detroit has at least 5,525 existing heirs' properties where all the recorded, legal owners are deceased. These heirs' properties are collectively worth an estimated $268 million. The report also quantifies which properties are at high potential future risk, using criteria such as individuals over 65 years of age living alone and parcels with quit claim deeds filed. Using these metrics, the report provides data on the census level to understand where the concentration of heirs' properties and at-risk properties are located throughout the city.

In October 2024, Black Onyx Management published a report entitled "Turning Legacy into Opportunity: Overcoming Inherited Property Obstacles in Marion County & Allen County, IN," commissioned by FHLBank Indianapolis. The report found 1,894 confirmed heirs' properties at an estimated value of $258M and an additional 4,706 properties categorized as "at-risk" with an estimated aggregate value of $826M in Marion and Allen Counties.

Individuals and Families Experiencing Homelessness

People without permanent shelter have the greatest housing need. The extent of the challenge is difficult to quantify because many homeless individuals are transient and unseen. According to HUD's Point in Time (PIT) Count, there were nearly 13,000 homeless individuals in the district in 2022 of which 21% were children.

The U.S. Department of Education also tracks children without permanent addresses, which includes unsheltered individuals, children living in shelters or transitional housing, and children precariously housed (e.g. couch-surfing, living in an RV, or living in a temporary motel). In the 2021-2022 school year, there were 45,000 school-aged children in the district without a permanent home.

According to stakeholder participants listed among the "Contributing Organizations" in the Needs Assessment, two additional demographic groups are at greater risk of homelessness and require more supportive services. The first group, formerly incarcerated individuals, face exceptional hurdles in securing employment and housing. Public and subsidized housing often excludes anyone with a felony record; if their family members live in federally subsidized housing, they are not able to move home while they reestablish themselves in the community.

The second group, people struggling with substance use disorders, have high relapse rates after treatment due to the short treatment plans that Medicaid covers and the exposure to drugs and alcohol immediately after being released from treatment.

In both cases, stakeholders recommended more targeted programs with case management, mental health support and life coaching.

Recommendations

The findings of the Needs Assessment, using hard data and feedback from affordable housing industry leaders and advocates active in the region, indicate the need for three overarching goals that are listed as Recommendations in the report:

- Stabilize housing prices for "naturally affordable" markets, particularly in low-income communities that may face displacement pressure and high-priced markets where the affordable housing shortage is severe. This may include targeted acquisition in areas which remain affordable through land trusts or non-profit-led land banking and prioritizing community development initiatives that work to address this issue.
- Find ways to minimize funding gaps between the cost of construction or rehabilitation and the resources available. This may include increasing gap financing to account for rising interest rates and material costs, focusing on projects with lower development costs (like rehabilitation of existing units) and increasing the number of grants and loans per project.
- Increase the homeownership rate among households and communities of color. This may include expanded community engagement in neighborhoods of color; streamlined and improved lending products for first-time buyers and exploring alternative homeownership models including sweat equity programs, Section 8 homeownership programs and multi-generational homeownership programs.

District Tribal Communities

The FHLBank Indianapolis district is home to 12 federally acknowledged Native American tribes that have sovereign governments that exercise jurisdiction over their members and territory. All of these are in Michigan, while Indiana does not have any federally declared tribes with tribal land located within the state's borders. The following 12 tribal government units have housing associated authorities, departments, or committees. They all promote, support, and run a variety of housing programs with the majority serving needs related to rental payments, energy and utility assistance, home repair and renovations, down payment assistance and homeownership counseling.



Source: Central Michigan University

1. Bay Mills Chippewa Indian Community
2. Grand Traverse Band of Ottawa and Chippewa Indians
3. Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan
4. Hannahville Potawatomi Indian Community
5. Huron Potawatomi-Nottawaseppi Huron Band of Potawatomi
6. Keweenaw Bay Indian Community
7. Lac Vieux Desert Band of Lake Superior Chippewa Indians
8. Little River Band of Ottawa Indians
9. Little Traverse Bay Band of Odawa Indians
10. Pokagon Band of Potawatomi Indians
11. Saginaw Chippewa Indian Tribe
12. Sault Ste. Marie Tribe of Chippewa Indians

As of November 14, 2024, there were three certified U.S. Department of Treasury Native Community Development Financial Institutions (CDFI) in the district, all located in Michigan. At least 50% of their activities are directed toward serving Native Americans. Lake Superior Community Development Corporation, a Native-Certified CDFI, is currently a member of FHLBank Indianapolis and originates from the L'Anse Reservation in the Upper Peninsula of Michigan.

As mentioned in the Needs Assessment, federal investments in affordable housing on tribal lands were chronically underfunded for decades and Native Americans in tribal areas have some of the worst housing needs in the United States. The Michigan State Housing Development Authority (MSDHA) established a state agency-tribal nation development workgroup to address tribal housing needs from Michigan's Statewide Housing Plan released in 2022. The following needs were identified from the workgroup:

- Partnerships to help address housing needs
- Available and affordable housing units of all types
- Permanent supportive housing
- Availability of land to address housing needs
- Additional funding for high housing construction costs
- Qualified match funding to access resources
- Legislative protections from predatory landlords
- Funding that supports rural development obstacles
- Larger housing units to house multiple generations and/or caregivers
- Availability of trade professionals to build housing

In 2024, FHLBank Indianapolis supported MSHDA's launch of the Tribal Nations Housing Development Assistance Program (TNHDAP) with MSHDA to build upon the existing capacity of Michigan's 12 federally recognized tribal nations by providing the resources and support necessary to develop affordable housing programs that respond to the unique needs of these communities.

FHLBank Indianapolis is supporting this program with a grant of up to $3 million. The grant provides flexible funding to help remove barriers to program participation and will cover critical pre-development expenses, respond to additional capacity building needs and opportunities, and help bridge project financing gaps. The TNHDAP will assist tribal nations with new housing development while also supporting needed upgrades to existing homes.

Throughout 2024, all twelve federally recognized tribes in Michigan participated in outreach meetings to learn more about the TNHDAP and provide information on their unique tribal housing needs. The outreach meetings were held in-person at each of the 12 tribe's headquarters. Additionally, MSHDA, along with the National American Indian Housing Council (NAIHC) and BeauxSimone Consulting, conducted three two-day training sessions. The first session took place in June in Sault Ste Marie, hosted by the Sault Ste Marie Tribe of Chippewa Indians, and focused on developing multifamily housing. The second session took place in August in Williamsburg, hosted by the Grand Traverse Band of Ottawa and Chippewa Indians, and focused on developing housing for special needs populations. The third session of the year was held in October in Mt. Pleasant, hosted by the Saginaw Chippewa Tribe of Michigan, and focused on developing homeownership opportunities.

All 12 tribes participated in at least one of the in-person sessions, with at least eleven tribes represented at each one. FHLBank Indianapolis offered travel stipends so participants could cover the cost of travel and hotel related expenses. Additionally, FHLBank Indianapolis presented the Community Investment programs and resources to the

tribes. Several member financial institutions joined the October training to learn about ways they can support affordable housing development for tribal communities.

PROGRAM CONTINUATION IN 2025

In October 2024, the TNHDAP released a pre-development grant application to tribes. Each tribe can apply for up to $75,000 until all pre-development funds have been allocated. Development project gap funding, funded by the Bank, will be made available to tribes in 2025. The program will continue throughout 2026.

Community Development Financial Institutions (CDFIs)

As of January 1, 2025, FHLBank Indianapolis has a membership of 359 financial institutions. This includes 165 banks and thrifts, 146 credit unions, 44 insurance companies and 4 community development financial institutions (CDFIs). Since FHLBank Indianapolis is cooperatively owned by its members, it is a primary goal to have all members be able to participate in supporting their communities with resources the Bank provides. While all member types play key roles in assisting their communities, CDFIs are non-profit financial institutions that promote access to capital and local economic growth specifically to underserved and/or low-income communities. According to the Opportunity Finance Network's Annual Member Survey in 2022, nationally, 85% of CDFI lending was to low-income communities, 66% of borrowers are people of color, and 27% of lending is invested in rural communities.

The Housing and Economic Recovery Act of 2008 authorized non-depository CDFIs certified by the Treasury Department's CDFI Fund to become FHLBank members. However, non-depository (ND) CDFIs have unique business models that can present significant challenges to meeting FHLBank membership guidelines. The first ND CDFI joined the Bank in 2013, and as of January 1, 2025, the Bank currently has four ND CDFI members. Of the 17 ND certified CDFIs in Michigan, three are members of FHLBank Indianapolis. Of the eight ND certified CDFIs in Indiana, one is a member of the Bank.

Non-depository (ND) CDFI members face challenges doing business with FHLBanks. Specifically, as the System at 100 report indicates, CDFIs have found it especially difficult to access FHLB products and services due to regulatory requirements related to collateral eligibility, collateral haircuts, and risk modeling. In addition to challenges around accessing FHLBank capital, the Federal Reserve notes in its 2023 CDFI Survey that CDFIs are also facing a 'capital crunch' due to the rising rates and constrained capital of the current banking environment. As CDFIs source funds largely from banks, this has resulted in reduced levels of lending as well as higher payments for borrowers. Access to low-cost capital is vital for CDFIs to continue to lend to underserved markets.

As reported by the CDFI Fund, at the start of 2016, the average asset size of all ND CDFIs was $27 million, while the median asset size was four times lower at $7 million, suggesting a distribution of small or very small institutions dominated by a relatively small number of larger regional and national CDFIs. Across the FHLBank system, ND CDFI members tend to be larger than the typical ND CDFI. In Q1 2024, the median asset size of a CDFI member across the system was $95 million and the average size was $167 million. However, the four ND CDFI members of FHLBank Indianapolis had the lowest aggregate size in the system: three out of four had asset size of less than $25 million and one of less than $100 million.

3: COMMUNITY INVESTMENT PROGRAMS AND PRODUCTS

The member financial institutions of FHLBank Indianapolis drive the mission, vision, and values of the organization, as partnership with them is the reason FHLBank Indianapolis exists. Each member is embedded into their own community in vastly different ways across the district and it is FHLBank Indianapolis' mission to support them with their distinct community needs. Generally, the need for affordable housing is present in every community but the way members offer support often falls back to the support FHLBank Indianapolis can provide to them in being a key community partner.

FHLBank Indianapolis is proud to provide robust program and product options to help member financial institutions assist their local communities with their affordable housing and community economic development needs.

Stepping Up

By FHFA regulation, every FHLBank must contribute at least 10% of its prior year's net earnings on an annual basis to fund its housing allocation, which for FHLBank Indianapolis, includes funding for the Competitive AHP and Homeownership Initiative programs. Recognizing the increased challenges in housing affordability and supported by the Needs Assessment, FHLBank Indianapolis voluntarily committed an additional 7.5% of its net earnings to affordable housing and community development initiatives.

As indicated throughout this report, the need to address housing affordability in our district continues to broaden. That is why FHLBank Indianapolis stepped up its investment in 2024 and, in addition to the required 10% allocation, will further contribute an additional 7.5% in 2025, for a total allocation of 17.5% of 2024 net earnings. This increased investment will help address housing and community development for vulnerable and underserved communities throughout the district. The additional impact made from Stepping Up investments in 2024 and the opportunities forthcoming in 2025 are highlighted in this section.

Competitive Affordable Housing Program (AHP)

FHLBank Indianapolis allocates 65% of its total affordable housing allocation to the competitive Affordable Housing Program (AHP). This program offers grants to FHLBank Indianapolis member financial institutions (members) and housing providers and developers (sponsors) to help fund acquisition, construction or rehabilitation of properties that will provide affordable housing. Funds are awarded through an annual competitive application process. In response to the significant increases in construction and labor costs over the past several years, the Bank increased its maximum grant award from $600,000 in 2023 to $1M in 2024. The maximum grant amount will remain at $1M in 2025. AHP awards support a multitude of affordable housing solutions for veterans, people with disabilities, young adults transitioning out of the foster care system and many others.

2024 AHP Funding Round	# of Projects	# of Units	AHP Requested
Applications	117	4,751	$91.0M
Awards	42	1,636	$34.0M

As the table illustrates above, the demand for AHP grant funding continues to far exceed the allocation available from FHLBank Indianapolis. In 2024, FHLBank Indianapolis awarded $34 million in AHP grants to 42 projects. This included the additional voluntary funding contribution of $3.4M that allowed the Bank to award 4 more projects than regulatorily required. Five awards went to homeownership projects, while the remaining 37 projects were a form of rental housing. Most projects were developed by non-profit organizations and located near transportation, healthy and nutritional food facilities, and community amenities. All funded homeownership projects are being developed by non-profit sponsors. All homeownership projects are also being developed on donated property in stabilizing neighborhoods, meaning projects included an element of preservation, infill development, blight elimination, main street revitalization, promotion, or preservation of homeownership and/or were in a targeted investment area, and are serving low-income minority areas. The majority of awarded rental projects provide housing for extremely low-income individuals (households under 30% Area Median Income (AMI)). Additionally, 38% of awarded projects serve a special needs population and 32% of projects serve housing for the homeless. Twenty-six percent of projects were in rural areas of the district.

Members continue to support AHP projects, not only through application submission, but also by participating financially in the project. Ninety-five percent of projects received either a financial donation, or interim and/or construction financing from the member financial institution submitting the application.

SUPPORT FOR 2025 I-PLAN ADJUSTMENTS

As the 2024 AHP round was analyzed, program adjustments were identified and have been incorporated into the 2025 Implementation Plan, including:

- Supporting Members with Financing in AHP Projects – To leverage member financing into AHP projects, several different categories of financing options were previously available to gain points including points for utilizing the CIP Advance, acting as lead equity investor for Low-Income Housing Tax Credits, and for projects in which the member was providing commercial/interim financing, permanent financing, or a monetary donation to the project. To better encourage all members to support and participate in funding AHP projects, regardless of the size of financial institution, the Bank is considering realigning points in this category.

Homeownership Set-Aside Programs

FHLBank Indianapolis continues to contribute the maximum allowable amount (35% of its housing allocation) for grants accessed by our members that help make homeownership a reality for their low-moderate income customers. Two different programs are offered to help meet low-moderate income homeowners' needs throughout the lifecycle of homeownership. Throughout 2024, these set-aside programs were offered on a first come-first served basis, without allocating specific amounts to each of the programs, which has allowed maximum flexibility for our member institutions to use funding based on their own community needs.

The Homeownership Opportunities Program (HOP) opened on April 15, 2024. The Neighborhood Impact Program (NIP) opened on May 15, 2024. The entire allocation was fully exhausted by July 2, 2024.

2024 Set-Aside Programs	Total Awarded	# of Households Assisted	Maximum Award	Average Household Income
HOP	$8.1M	413	$20,000	$45,367
NIP	$10.3M	807	$15,000	$32,019
Total	$18.4M	1,220	N/A	$36,579

Homeownership Opportunities Program (HOP)

The Homeownership Opportunities Program (HOP) provides grants to help low-moderate income, first-time home buyers with down payment and closing cost assistance. First-time homebuyers' partner with member financial institutions to apply. To qualify for the grant, a homebuyer must be at or below 80% of their area median income, contribute at least $500 towards the purchase of the home, complete a homebuyer counseling course and their housing debt cannot exceed 40% of the total household gross income.

As the table above illustrates, a total of 413 first-time homebuyers were assisted with HOP funding in 2024. On average, these homebuyers earned 62% Area Median Income. The average contract sales price for homes being purchased with assistance from HOP was around $145,000 with the average mortgage around $125,000 and an average housing debt to income ratio of 26%.

SUPPORT FOR 2025 I-PLAN ADJUSTMENTS

The Needs Assessment recommends strategies to increase homeownership rates among households in the district especially for households under 80% AMI which can be challenging in a competitive housing market. In 2024, FHLBank Indianapolis assisted 177% more first-time homebuyers than in 2023. As the District continues to see additional need for down-payment assistance along with member and community feedback that the program name is confusing as it is commonly referred to as HOP, an acronym that doesn't accurately identify the program, FHLBank Indianapolis is rebranding the program name from Homeownership Opportunities Program (HOP) to Launch – Down Payment Assistance to improve marketing and brand identity. The name refresh will be accompanied by several program changes including:

- Reducing the member cap to help expand the timeframe of available funds which will allow for broader member participation
- Introducing a rolling allotment of funds available to participating member financial institutions
- Limiting the grant funds to 20% of the purchase price, or up to $20,000, whichever is less; and
- Clarifying that the home purchase must close within 60 days of FHLBank Indianapolis' final approval

Neighborhood Impact Program (NIP)

The Neighborhood Impact Program (NIP) provides grants of up to $15,000 to help low-moderate income homeowners with deferred maintenance home repairs. The majority of homeowners partner with a community organization that helps them apply through a member financial institution. To qualify for the grant, the household must be below 80% Area Median Income, the homeowner must have owned and occupied the home for at least

six months prior to applying, must be current on the existing mortgage obligation, and the home must be a single-family home, condo, or modular unit.

As the table above illustrates, NIP continues to be the most utilized Homeownership Initiatives program. In 2024, a total of 807 homeowners were assisted through NIP. On average, these households earn around $32,000 a year. Most repairs made with NIP funds were related to roofing, windows, or HVAC with 72% of assistance requests made for one of these repairs alone. The highest average cost of repairs was associated with aging-in-place including relocation of washer/dryer, widening doorways, and installing walk-in showers while the lowest average cost of repairs included replacing handrails and water heaters.

Most Popular NIP Repairs in 2024		Households Receiving Repairs
1.	Roofing/Chimney	32%
2.	Windows	25%
3.	Repair/Replace HVAC	15%
4.	Gutters/Downspouts	12%
5.	Exterior Doors	9%

Highest Cost Repairs (Based on Average Cost)		
1.	Relocate Washer/Dryer to Main Level	$14,800
2.	Widening Doorways	$11,245
3.	Walk-in Shower	$11,178
4.	Basement/Crawlspace Waterproofing	$10,574
5.	Roofing/Chimney	$10,985

Lowest Cost Repairs (Based on Average Cost)		
1.	Handrails	$2,323
2.	Repair/replace Water Heater	$2,369
3.	Gutters/Downspouts	$2,495
4.	Soffit/Fascia	$2,632
5.	Exterior Doors	$3,425

SUPPORT FOR 2025 I-PLAN ADJUSTMENTS

As the district continues to see demand to assist with deferred home repair items for low-moderate income homeowners along with member and community feedback that the program name is confusing as it is commonly referred to NIP, an acronym that doesn't accurately identify the program, FHLBank Indianapolis is rebranding the program name from Neighborhood Impact Program (NIP) to Revive – Home Repair Grant to improve marketing and brand identity. The name refresh will be accompanied with several program changes including:

- Reducing the member cap to help expand the timeframe of available funds which will allow for broader member participation
- Introducing a rolling allotment of funds available to participating member financial institutions
- Removing repairs that require assessments at project completion from qualification for the program grant; and
- Modifying the list of eligible repairs that address livability in the home

Community Investment Program (CIP) Advance

The Community Investment Program (CIP) Advance offers FHLBank Indianapolis members access to at-cost loans and letters of credit to support affordable housing and community economic development activities that benefit low- moderate income families or neighborhoods. These funds are used to develop affordable housing and support local job creation. Members use CIP advances and letters of credit because they are a cost-efficient way to borrow long-term funds for their local economic development needs. When a member uses CIP, the advance is priced at the cost of funds for similar maturities plus an administrative markup. Members work closely with Community Investment staff and Business Development staff to ensure the project demonstrates utilizing CIP will benefit the community in a tangible way by providing either affordable housing or jobs.

In 2024, FHLBank Indianapolis members used Community Investment Program (CIP) advances and letters of credit totaling $202 million to fund projects across the country. These CIP products were predominately used to support affordable housing developments and mortgage portfolio funding.

No adjustments to the CIP Advance program are anticipated in the 2025 Implementation Plan.

Community Support Program (CSP)

The Federal Housing Finance Agency adopted regulations establishing standards of community investment or service for FHLBank members, who must comply with these standards to maintain access to an FHLBank's long-term advances, and to continue their participation in an FHLBank's Affordable Housing Program (AHP) and other Community Investment Cash Advance (CICA) programs. These standards consider a member's Community Reinvestment Act (CRA) record and lending to first-time homebuyers. By regulation, each FHLBank member, if subject to CSP review, must submit a completed Community Support Statement (CSS) once every two years. In 2023, FHLBank Indianapolis collected CSS from members, with two members not meeting the full requirements. These members will be eligible again once their FHFA's determination results have been addressed. FHLBank Indianapolis will ensure completion of the Community Support Program again in 2025.

Voluntary Programs

The housing programs and products listed above are instrumental to members supporting their communities' affordable housing needs. To provide members with even more resources and tools to support additional community economic development needs of the communities they work in, FHLBank Indianapolis developed a series of voluntary programs.

SUPPORT FOR 2025 PROGRAM ADJUSTMENTS

As mentioned previously, FHLBank Indianapolis is stepping up its community investments by 7.5% over the required 10% of 2024 net earnings. The Needs Assessment identified several opportunities for the Bank to consider investing to help support community needs in the district. In addition to the voluntary programs described in this section, the following voluntary investment areas are being considered for 2025, with other voluntary program options considered if relevant:

- Emerging developer support
- Small scale development opportunities

- Supporting Community Development Financial Institutions (CDFIs)
- Land trusts and land banks support
- Operational support for housing and/or community development related non-profit organizations

Elevate Small Business Grant

The Elevate Small Business Grant is a voluntary program developed to help FHLBank Indianapolis members support small businesses throughout Indiana and Michigan. Small businesses partner with members to request up to $20,000 for capital expenditures including real estate, machinery and equipment, technology, and workforce training. To qualify, small businesses must be headquartered in Indiana or Michigan, must have been in business for at least 12 months and must have revenue under $1 million.

Elevate continues to be a popular Community Investment program offering. In 2024, the program experienced the greatest number of member financial institutions participating to date. FHLBank Indianapolis awarded grants to 53 businesses for just over $1M. The majority of projects included plans for operational expenses, machinery or equipment purchases, workforce development, technology enhancements and facility improvements, as well as business expansion.

SUPPORT FOR 2025 PROGRAM ADJUSTMENTS

Given the increasing popularity of the program among small businesses and members, FHLBank Indianapolis wants to ensure broader member participation. Therefore, the Bank is considering a maximum member submission based on grant amount funded with more guaranteed funding for 2025.

Disaster Relief Program

The FHLBank Indianapolis opened the Disaster Relief Program to counties in Indiana and Michigan who experienced federally, or state declared disasters in 2024. To be more responsive and nimbler to natural disasters, FHLBank Indianapolis continues to allocate a portion of voluntary dollars to be reserved for disaster relief in 2025.

HomeBoost Down Payment Assistance Program

FHLBank Indianapolis developed a Special Purpose Credit Program plan in 2023 to support the launch of its pilot program HomeBoost Down Payment Assistance Program (HomeBoost). FHLBank Indianapolis allocated $7.6M of voluntary funding to open HomeBoost on August 14, 2024. All funding was allocated by mid-September and the pilot program supported 307 first-time homebuyers across Indiana and Michigan. FHLBank Indianapolis continues to evaluate the program and the possibility of continuing the program based on established district needs.

In 2025, this program provides down-payment assistance to those who:

- are first-time homebuyers;
- Identify as first-generation homebuyer that is defined by meeting at least one of the following:
  - Parents or legal guardians or at least one borrower does not currently, and have not previously, own a home in the United States, or
  - At least one borrower has aged out of foster care, or
  - At least one borrower has become emancipated
- have a household income at or below 120% of the local Area Median Income; and
- intend to purchase a primary residence in Indiana or Michigan

Studies demonstrate that first-generation homebuyers often lack the financial support systems that come from family wealth, making it difficult to save for the significant upfront cost required to purchase a home, unlike their counterparts. Nearly 40% of recent homebuyers under age 30 used either a cash gift from a family member or an inheritance to afford their down payment, according to a report published by Redfin. Affording to a Federal Reserve's report, the median homeowning family has 38 times more wealth than the median renting family. According to 2024 study published by the Urban Institute, the wealth gap between homeowners and renters has reached a historic high. "Over the past 33 years, the median wealth gap between homeowners and renters has increased by 70 percent while the average wealth gap increased more than 250%." In a separate study by the Urban Institute, these families without access to generational wealth often struggle to save for a down payment due to high rental costs, low wages and the absence of financial support from family members who themselves may not have accumulated home equity. First generation homebuyer programs help fill these gaps.

Heirs' Rights

As mentioned in the Needs Assessment, heirs' rights issues and tangled titles often occur when a homeowner passes away without a formal will or without clear title to the home. The heirs asserting rights can face a litany of challenges to take ownership. As discussed in the Needs Assessment commissioned from Atria Planning, Black households are often disproportionately impacted by these challenges.

Both Detroit Future City's and Black Onyx Management's recent heirs' property reports identified several strategies to implement to help resolve heirs' properties issues and prevent future heirs' properties. Throughout 2024, FHLBank Indianapolis initiated or supported implementing strategies, including funding the Black Onyx Management report. In 2025, FHLBank Indianapolis is supporting further implementation of strategies identified in both reports with additional grant funding.

CDFI Rate Buydown Advance

As the Needs Assessment indicates, challenges exist for non-depository CDFIs to participate in FHLBank programs. One way to address the challenges described above, within the current regulatory framework, is to encourage FHLBank Indianapolis depository member institutions to build partnerships with, and financially support CDFIs headquartered in the district, regardless of whether the CDFI is a Bank member. In October 2024, FHLBank Indianapolis launched the CDFI Rate Buydown Advance program to help achieve that goal. This program aims to provide subsidized advances for our members so that, in turn, they can assist CDFIs with additional access to low-cost capital, thus creating new lending pipelines that will help address the housing and community development needs of the district. This program is intended to help minimize funding gaps for both affordable housing options and small businesses as evident within the Needs Assessment.

The CDFI Rate Buydown Advance was designed to help CDFIs support housing and economic development in the most underserved areas. Non-depository CDFI member institutions can borrow directly under the program and other member financial institutions can borrow to lend to non-depository CDFIs. The advance rate can be bought down to as low as 0%. FHLBank Indianapolis is providing $5 million in advance interest subsidies that are available with a $500,000 subsidy cap per member.

Rate Advantage Program

As identified in the Needs Assessment, affordability is a key obstacle in the ability to purchase a home, particularly for low-income households. The Needs Assessment has further shown that low-income residents are now at a greater risk of displacement and even homelessness because housing utilizes an excessive portion of their income, leaving little for other necessities like food and healthcare.

Additionally, the Needs Assessment indicates that several locations in the district exceed the affordability threshold of 4.0 on the Housing Price to Median Income (HPI) ratio, which nationally has hovered between 2.6 and 4.0. The higher end of the ratio typically signals an affordable housing crisis in which the local workforce cannot afford rent, and middle-income families cannot afford to buy a home. Furthermore, what is "affordable" within the HPI range depends on interest rates; the higher the interest rates, the lower the HPI Ratio threshold deemed affordable.

Elevated housing prices and correspondingly high HPI have significantly impacted the supply side of affordable housing units. However, borrowers have also been facing elevated mortgage rates. The 30 Year Fixed-Rate National Mortgage Average started to increase in early 2022 and crossed above 6% in July of that year, remaining above that level for the previous two years. These are levels not seen since the 2008 financial crisis, significantly impacting mortgage application activity.

As part of FHLBank Indianapolis' affordable housing mission, the Bank implemented the Rate Advantage Program in August 2024 to help address mortgage rate affordability. This program is intended to encourage members to create mortgage loans to low-income borrowers and make the loans more affordable by offering below market Note rates. This works by encouraging members to originate the below market rate loans and sell them through Advantage MPP with the Bank offering a monetary incentive on a per loan basis.

Money Masters Scholarship Program

According to the Needs Assessment, financial education is a key element in decreasing the wealth and homeownership gap for minority and at-risk communities. Fifty-nine percent of survey respondents from the survey conducted in the Needs Assessment cited financial literacy training as the most significant need outside of housing. Additionally, a focus group hosted on equitable housing for purposes of the Needs Assessment stated that "financial literacy is critical for communities of color and should begin at a younger age". As a result, one of the recommendations from the Needs Assessment was additional support for financial literacy and wealth-building courses.

The 2021 FDIC National Survey of Unbanked and Underbanked Households indicates that the rate of unbanked households in Indiana and Michigan is at 5.6% and 5.4% respectively, which is higher than the national average of 4.5%. To help address this district-wide need, FHLBank Indianapolis launched the Money Master's Scholarship Program in 2024. This program enables the Bank to partner with its member institutions to develop, implement and fund programing that promotes and improves financial literacy among college-bound students and rising seniors in Indiana and Michigan. This is a three-year scholarship fund based on the completion of financial literacy education and other established criteria. To get young adults "banked" much earlier and at higher rates, the scholarships are delivered in the form of bank accounts at the participating financial institutions who ensure these accounts are adequately safeguarded for the awardee's protection.

FHLBank Indianapolis awards up to $25,000 a year to each member institution/youth organization partnership for scholarship recipients for a total of up to $75,000. These awards are made annually for a three-year period on a first-come, first-served basis. The scholarship funds are deposited into bank accounts with the designated member institutions, which award recipients can access for discretionary expenses.

Stepping Up Grant

The Bank contributed voluntary dollars that add up to $1.025 Million to cover the last complete Elevate award and the last complete AHP award.

FHLBank Indianapolis Fair Lending Statement

The Bank is committed to compliance with Finance Agency Regulation § 1293, in addition to all fair lending requirements prescribed by the Fair Housing Act, Equal Credit Opportunity Act and Regulation B, and all other applicable laws and regulations. The Bank is committed to ensuring that it operates consistently with the public interest and with sufficient overall risk management by providing fair, equitable and nondiscriminatory access to credit and housing. Fair lending is central to the principles under which the U.S. housing finance system operates and is a requirement of law. As such, the Bank strives to comply with both the spirit and the letter of fair lending laws, as applicable. This commitment extends to ensuring that where required, there is appropriate oversight of third parties with which we do business, to ensure that those third parties engage in proper fair lending compliance management.

It is the policy of the Bank to make all products and programs available without unlawful discrimination against any recipient, including on the basis of:

- Race
- Color
- Religion
- National origin
- Sex
- Age (provided the individual is of legal age to have the capacity to contract)
- Marital Status
- Familial Status
- Disability/Handicap
- Receipt of Public Assistance
- The fact that an individual has exercised their rights under the Consumer Credit Protection Act.

Compliance with this policy statement applies to:

- The Bank;
- All Bank Employees and directors;
- Members of the Bank's Affordable Housing Advisory Council;
- The Bank's vendors and contractors;
- The Bank's service providers.

4. OUTREACH AND TRAINING

2024 Outreach and Training

Successful execution of all the Bank's CID programs and products relies significantly on building partnerships amongst members and community partners. Depending on the audience, this requires several different marketing efforts, outreach and training opportunities. To understand the level of engagement a member needs, and to better direct the appropriate marketing, outreach and training, Community Investments tracks member utilization of programs and products. In 2024, 145 members indicated interest in participating in one or more Community Investment programs or products, which is an 11% increase from 2023. Of those, 106 received funding or took an advance.

With the goal to ensure all members are aware and have an opportunity to participate in FHLBank Indianapolis' programs and products as shareholders, various outreach and training efforts were conducted in 2024 in collaboration with Community Investment staff, Outreach Partners, and the Business Development Department to achieve the following outcomes:

- **Increase participation in CID programs:** Outreach efforts focused on strengthening partnerships with municipal and state agencies, and statewide trade associations and leveraging their networks, utilizing a CID investment mapping tool, collecting utilization data across members, and prioritizing direct outreach accordingly.
- **Educate and increase member and partner capacity:** CID staff offered a variety of training sessions across all CID programs in 2024, including the large-scale networking events in each state along with presenting at six regional member meetings with the FHLBank's Business Development team.
- **Address district needs:** The Bank launched a robust collection of voluntary programs throughout 2024, as described above, to help address district needs identified in the Needs Assessment.
- **Expand presence in Detroit:** The Bank continues to support its Michigan communities by leveraging the Detroit Hub office space to build and strengthen partnerships with local development teams, public agencies and CDFIs. Bank staff has worked to identify members interested in the City of Detroit market, as well as to connect non-profit partners with members interested in allocating grant dollars within the city limits.
- **Increase technology efficiency:** Bank staff continue to increase efficiencies through the FHLBI.GIVES module for competitive AHP, Homeownership Initiatives, Elevate and CIP.
- **Enhance programs for members and partners:** Bank staff continues to incorporate feedback received from members, sponsors, community partners and stakeholders that help enhance the program experience for all.

2025 Outreach and Training

The 2025 marketing, outreach and training strategy focuses on continually supporting members and helping them develop capacity and partnerships to utilize CID programs and products. The following illustration outlines the strategy Community Investment will follow to help achieve this.


Intro to CID
•Community Catalyst Training Series
•One-on-one meeting requests (from members and community organizations)
•Conference Speaker Opportunities
Yearly Program Updates
•CID Workshops
•Program Rollout/Update Webinars
Program Specific Trainings
•Application Training
•Member/Applicant Roles & Responsabilities Trainings
•Reporting & Requirements Training
•Technical Assistance
Networking Opportunities
•Affordable Houisng Networking
•Community Mentors
•Roundtables
•Specific Events
Feedback/ Continuous Improvement
•Focus Groups and/or Roundtables
•Surveys

5: 2024 GOALS AND ACCOMPLISHMENTS

Lending

Goal: Originate $150 million in CIP advances and letters of credit.

Accomplishments: In 2024, CIP originations totaled $202 million. CIP/CICA Advances totaled $189 million and CIP-related letters of credit (including interest) totaled $13 million.

Goal: Enhance our community impact by increasing our Community Investment allocation by 5%.

Accomplishments: In 2024, the Bank had a regulatorily required allocation of $43.9 million which is 10% of 2023 net earnings and were disbursed through the Affordable Housing Program (AHP), Homeownership Opportunities Program (HOP), and Neighborhood Impact Program (NIP). The Bank voluntarily invested an additional $33 million which is 7.5% of 2023 net earnings and supported funding outlined under the Voluntary Grant Programs section above.

Member Engagement

Goal: Ensure that 100-125 members are engaged with AHP, Homeownership Initiatives, small business grants, Community Mentors, and other voluntary programs.

Accomplishments: In 2024, 145 member financial institutions were engaged with community investment products, which is a 11% increase from 2023. This was achieved through member participation shown below:

First-Come First Served Programs

Homeownership Registrations	Members Funded	Total Funding
109	84	**$18.3M**

HomeBoost SPCP Request	Member Registrations	Members Funded	Total Funding
72	70	45	**$7.4M**

Competitive Programs

Elevate Master Agreement	Member Applications	Members Funded	Total Funding
58	47	31	**$1M**

AHP Notice of Intent	Member Applications	Members Funded	Total Funding
48	41	23	**$34.6M**

Community Investment Advance/Loans

CIP Members Funded	Total Funding
8	**$202M**

Total Members Engaged	Total Members Funded
145	**106**

Goal: Execute re-branding and marketing strategies for CIP Advance and Homeownership Initiatives to announce in 2025.

Accomplishments: Through collaboration with the Marketing, Communications and the Strategic Initiatives & Innovation Departments, analysis of existing branding was evaluated. In 2024, the team identified new program

names that provide more options for marketing and brand identity and eliminate the use of acronyms, which on their own do not accurately or easily identify the programs. These new program names will be publicly announced in Q1 of 2025.

Outreach and Education

Goal: Provide at least 75 outreach and technical assistance meetings with members and community partners.

Accomplishments: Community Investment staff conducted a total of 203 outreach meetings through:

- 57 member meetings where Community Investment programs and products were discussed, with focus on how the member could build partnerships to participate in Community Investment funding. These meetings were generated through Business Development leads, Outreach Partner leads, Community Investment staff leads and member inquiries.
- 146 community partner meetings where Community Investment programs and products were discussed. These conversations focused on an introduction to the FHLBank System and FHLBank Indianapolis, how to participate in Community Investment funding and how to build partnerships with FHLBank Indianapolis members. These meetings were generated through Outreach Partner leads, Community Investment staff leads, member introductions, statewide partnership introductions, AHAC, Board and other staff leads and general inquiries.

Additionally, the AHP staff conducted 101 Technical Assistance meetings with potential AHP project development teams. The AHP staff provided review and feedback on application materials and were available to answer questions about the AHP process.

Goal: Participate in a minimum of 60 housing and/or economic development conferences through sponsorship, attendance, hosting, or presenting.

Accomplishments: Community Investment staff attended a total of 82 housing and community economic development conferences including, but not limited to, the following partner events:

- Prosperity Indiana
- Opportunity Finance Network
- Affordable Housing Association of Indiana
- Fair Housing Center of Michigan
- Urban Land Institute
- FHLBank System Events
- Indiana Housing and Community Development Authority
- Michigan State Housing Development Authority
- CRA Associations
- Bankers Association
- CEDAM – Community Economic Development Association of Michigan
- Habitat for Humanity
- Coalitions Against Homelessness
- Balance of State Continuum of Care
- CSH - Corporation for Supportive Housing
- Interagency – OCC, FDIC and Federal Reserve

Goal: Broaden partnerships with members and community partners in underserved geographies through supporting the Community Mentors Program, increased focus on native/tribal communities and regional meetings.

Accomplishments: Community Investment staff expanded partnerships and built awareness of FHLBank Indianapolis, and its various programs and products offered through:

- Community Mentors Program:
    - Indianapolis, IN: The Indiana recipient, Neighborhood Christian Legal Center (NCLC) brought community organizations, city council leaders and lawyers who work in the local community and specialize in affordable housing issues to rally support for education for tenant education and legal rights. From there, NCLC sponsored videos and education events to ensure the community is prepared to help residents in need access services and support tools for advocacy to build a stronger network to combat housing insecurity.
    - Flint, MI: Genesee County Commissioners were the Michigan recipient this year. The priority was bringing businesses, housing and placemaking opportunities to every commissioner's territory. The grant allowed the group to purchase software to attract major retailers to the area, as well as training opportunities for economic development staff. The gateway of opportunity is open, and Genesee County is now poised to take advantage of revitalization opportunities.
- Regional Member Meetings: Working with Business Development, Community Investment staff presented at the following regional member meetings with specific regional data to help address community investment needs on a more local level.
    - Jasper, IN
    - South Bend, IN
    - Gaylord, MI
    - Birmingham, MI
    - Grand Rapids, MI
    - Carmel, IN
- Native and Tribal Convenings: Through the TNHDAP, all twelve tribes headquartered within the state boundaries of Michigan participated in three two-day workshops in Sault Ste. Marie; Williamsburg; and Mt. Pleasant. FHLBank staff participated in all three sessions.

Goal: Enhance communications through the creation of dynamic and easy to understand outreach materials about program offerings and impact.

Accomplishments: In March 2024, FHLBank Indianapolis hired a dedicated Communications employee to work exclusively on Community Investment related materials. This has enabled the bank to create more dynamic and easy-to-understand materials along with a strategy for deployment, and to increase readership and help build awareness.

Diversity, Equity and Inclusion

Goal: Implement a voluntary initiative addressing heirs' rights issues.

Accomplishments: As described above under the Voluntary Programs section, the Bank responded to the need for support in addressing heirs' rights issues in the district by launching specific programs in both Indiana and Michigan.

Goal: Present to 2 to 6 new small business organizations within the district that work with minority-owned small businesses.

Accomplishments: CID expanded partnerships with Mid-States Minority Supplier Development Council and Michigan Minority Supplier Development Council to help market Elevate to their qualifying diverse members. CID staff presented Elevate to members of the FDIC and Federal Reserve.

Goal: Evaluate HomeBoost pilot for potential development into a recurring program.

Accomplishments: CID analyzed all evaluative metrics outlined within the pilot Special Purpose Credit Program plan. This included dozens of data points across the 159 household recipients including, but not limited to, minority percentages, average credit scores, home sales prices and more. CID also analyzed qualitative trends from 90 member responses from the survey. Based on these results, CID established HomeBoost as a recurring program to assist households who self-identify as a minority or first-generation first-time homebuyer.

Goal: Implement a voluntary initiative to support affordable housing and community development in tribal communities.

Accomplishments: The TNHDAP program was launched in January 2024. All 12 tribes participated in multiple outreach meetings and at least eleven tribes were represented in each of the three two-day workshops that covered multifamily development, special needs housing, and homeownership opportunities.

Operational Excellence

Goal: Improve registration process for potential applicants within the .GIVES system.

Accomplishments: CID staff worked with Bank Information Technology to explore options that would enable an online self-registration process for members and sponsors. A working group continues to pursue options in this area.

Goal: Enhance contact management for Community Investment related contacts and touchpoints.

Accomplishments: Community Investment staff worked collaboratively and closely with the Business Development and Marketing Teams to move all Community Investment related contacts into one localized Customer Relationship Management (CRM) platform where all Member contacts are housed. This has allowed for better communication deployment and engagement tracking.

Goal: Explore Community Investment related recommendations from System at 100 Report where opportunities exist.

Accomplishments: The Bank implemented several voluntary programs in 2024 to support district needs that are not addressed by our required statutory programs. Several programs are administered outside of the Community Investment Department since housing affordability is integral to all Bank products. The Bank also collaborated as

part of the FHLBank System to support CDFIs and tribal nations by participating in the FHFA CDFI Symposium and discussing engagement opportunities with the Enterprises.

6: 2025 GOALS

Lending

Enhance the Bank's community impact by focusing on providing liquidity for community focused lending efforts.

- Originate $150 million in CIP advances and letters of credit.
- Enhance our community impact by increasing our Community Investment allocation by 7.5%.

Member Engagement

Enhance member participation and engagement in community investment programs.

- Ensure that -125-150 members are engaged with AHP, homeownership initiatives, small business grants, and other voluntary programs.
- Implement re-branding and marketing strategies for CIP Advance and Homeownership Initiatives.
- Implement a voluntary initiative that matches member investments to meet targeted needs in the district.

Outreach and Education

Maintain awareness, involvement, and partnerships within FHLBank Indianapolis community, which is comprised of members, their customers, and the communities they serve.

- Provide at least 150 outreach meetings with members and community partners.
- Participate in a minimum of 65 housing and/or economic development conferences through sponsorship, attendance, hosting, or presenting.
- Broaden partnerships with members and community partners in underserved geographies through supporting regional meetings and Tribal communities.
- Enhance communications through the creation of dynamic and easy to understand outreach materials about program offerings and a focus on impact stories through a variety of deliverables including videos, social media campaigns, and targeted member communications.
- Explore Community Investment related recommendations from System at 100 where opportunities exist.

Underserved Communities and Populations

Provide community support to vulnerable populations in the Bank's district.

- Implement initiatives addressing heirs' rights issues in each state.
- Identify number of households assisted in low-income areas with regulatory funding.
- Identify number of emerging developers participating in AHP.
- Increase impact of HomeBoost by expanding allocation.
- Continue initiatives to support affordable housing and community development in tribal communities.

Operational Excellence

Continue to improve processes, efficiency and service excellence while providing community support in the Bank's district.

- Expand on-demand training library to help members and community partners with programmatic questions

- Enhance .GIVES system to enable users broader functionality, allowing them to correct mistakes prior to application submission and providing a smoother transfer of information from source to system.