Community Support Program and Targeted Community Lending Plan

June 27, 2025

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Policy Information

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Introduction

This FHLBank Policy, governed by the board of directors (board), sets forth the provisions of Federal Home Loan Bank of Topeka's (FHLBank's) Community Support Program and Targeted Community Lending Plan (Plan) as required by 12 C.F.R Parts 1290, 1291, and 1292. FHLBank's board shall adopt this Plan at least annually and FHLBank shall publish its current Plan on its website within 30 days after the date of adoption. This Plan includes many of the programs and activities undertaken by FHLBank in the area of community support, but it is not intended to be a complete description of all FHLBank programs and activities directed at enhancing housing and community development.

Purpose

The purpose of this Plan is to set forth the policy and provisions as required by the applicable Federal Housing Finance Agency (FHFA) regulations. This Plan is established to promote and enhance affordable housing and community development in FHLBank's district by providing loans, grants, and other assistance to members to provide financing for eligible targeted community lending at the appropriate targeted income levels, including underserved neighborhoods and communities.

Applicable Statutory and Regulatory Provisions

Applicable provisions of the Federal Home Loan Bank Act (Act) and the regulations of the FHFA supersede this Plan, and any actions taken hereunder shall be consistent with such provisions. The applicable FHFA regulations include but are not limited to 12 C.F.R. Parts 1290, 1291, and 1292.

Scope

This Plan provides the framework and guidance for the following Plan programs and initiatives:

(1) Community Investment Cash Advance (CICA) Programs, which include:
   (a) Community Housing Program (CHP)
   (b) Community Development Program (CDP)
   (c) The Affordable Housing Program (AHP) including Homeownership Set-aside Program (HSP) is a CICA program. The framework and guidance for the AHP and HSP are in the AHP Implementation Plan (IP), which is available on FHLBank's website.

(2) Affordable Housing Advisory Council (Advisory Council). Per 12 C.F.R. §1291.14, the board shall appoint an Advisory Council of 7 to 15 members. These members shall reside in FHLBank's district and shall be drawn from community for-profit and not-for-profit organizations that are actively involved in providing or promoting low- and moderate-income housing and community lending in FHLBank's district.

   The Advisory Council shall meet quarterly with representatives of the board to provide advice regarding how to carry out the housing finance and community lending mission of FHLBank, including but not limited to:

   (a) Advice on the low-and moderate-income housing and community lending programs and needs in FHLBank's district, and on the use of AHP subsidies, FHLBank advances, and other FHLBank credit products for these purposes.
   (b) Prior to its adoption, the Advisory Council shall review the Plan and any subsequent amendments thereto, and provide its recommendations to the board's Mission and Governance Committee (MGC).

(3) FHLBank Voluntary Programs, which include:
   (a) Native American Housing Initiatives (NAHI) Grants
   (b) AHP Extra voluntary contribution to fund additional AHP projects
   (c) Homeownership Possibilities Expanded (HOPE) down payment assistance grants
   (d) Community Assistance Recovery Effort (CARE)
   (e) Lending Enhancement Advance Program (LEAP)
   (f) Mortgage Rate Reduction Product
   (g) FHLBank Topeka Affordable Housing Institute at Metropolitan State University of Denver (MSU Denver)

(h) Awards, technical assistance, and other outreach, including partnerships with federal, state, and local housing and community development organizations.

Definitions

Terms used within this Plan and in all applicable agreements, forms, applications and on FHLBank's website shall have the meanings as set forth in Exhibit K of this Plan.

Policy

I. **Market Research.** FHLBank conducts market research using both primary and secondary sources. Primary sources include consultation with members and economic development organizations within FHLBank's district and consultation with the Advisory Council. Secondary sources include an analysis of materials related to some of the classes of CICA-targeted beneficiaries. Other materials reviewed but not related to CICA-targeted beneficiaries include each FHLBank district state's Consolidated Plan for Housing as well as Consolidated Plans prepared for larger communities, Census data, publications applicable to FHLBank's district, rural resources and state and local sources.

Data on FHLBank district housing needs is included in Exhibit A to this Plan. A listing of Native American and Tribal Communities, including federally recognized Tribes, Tribally Designated Housing Entities (TDHEs), and Native Community Development Financial Institutions (CDFIs), is included in Exhibit B to this Plan.

FHLBank works with the Advisory Council to continually evaluate the needs of FHLBank's district and how FHLBank programs can be tailored to best meet those needs.

FHLBank shall continue to seek information on opportunities to enhance and promote housing and community lending from members, nonmember borrowers, the Advisory Council and public and private housing and economic development organizations as part of the ongoing administration of the Plan.

FHLBank reviews the information obtained through this market research, which identifies credit needs and market opportunities for affordable housing and targeted community lending in FHLBank's district. The AHP, CDP and CHP, and Native American Housing Initiatives Grants are designed to meet these identified needs. Non-targeted community lending needs in FHLBank's district are funded with FHLBank advances.

II. **Technical Assistance and Outreach.** FHLBank offers technical assistance to members and communities to address local needs for affordable housing and economic development. FHLBank shall work with federal agencies, members, local government entities and other interested parties to develop an understanding of local economic development and housing needs, both current and long-term. Technical assistance includes but is not limited to: (1) consulting with the participating groups on assessing and responding to economic development and housing needs, including the identification of organizations that can assist with those tasks; (2) assisting in the identification and documentation of any financing resources applicable to the identified economic development or housing projects (3) promoting the use of FHLBank's products and programs; and (4) devoting a portion of FHLBank's website to CICA programs. Information is provided on FHLBank's website at http://www.fhlbtopeka.com.

Technical assistance videos may also be accessed on YouTube by searching for FHLBank Topeka and the topic. For example: "FHLBank Topeka HSP".

III. **Recognition Awards.** FHLBank shall recognize exemplary performance by members in community support activities through the Community Leader Award (CLA) and other recognition awards such as plaques and certificates. These activities include member participation in the TurnKey down payment assistance programs, AHP, CHP, CDP, Voluntary Programs as well as member community support activities not involving FHLBank

programs. FHLBank shall include award presentations as part of appropriate FHLBank programs, ground-breaking or ribbon-cutting ceremonies, or other appropriate circumstances.

A. **Community Leader Award.** Each year, FHLBank recognizes a member institution that best uses FHLBank products and services to provide outstanding leadership and vision within the communities it serves. FHLBank produces a video about the chosen member. The member is honored at the regional meeting held in the member's state. During the ceremony, the CLA winner is presented with a crystal award and a $5,000 check to the nonprofit organization(s) of the member's choice.

   Videos produced for members receiving the Community Leader Award are available on YouTube by searching for "FHLBank Topeka Community Leader Award".

B. **#500forGood.** For the past seven years, FHLBank presented members with a $500 question – "How would you use $500 to help your communities?" In 2024, FHLBank supported our members' communities with 50 $500 checks. FHLBank plans to continue the program in 2025.

   Short videos produced for #500forGood recipients are available on YouTube by searching for "FHLBank Topeka #500forGood."

C. **Regional Housing Champion.** New for 2024, FHLBank presents one member from each state with recognition as a leader utilizing HCD programs to support their community through housing or community development initiatives. The members selected are honored with an award at the regional meeting held in the member's state. FHLBank will recognize each Regional Housing Champion at the Annual Member Conference in 2025 for their contributions and commitment to affordable housing and community development. FHLBank plans to continue the program in 2025.

D. **Quantitative Targeted Community Lending Performance Goals.** Identified below are FHLBank's quantitative targeted community lending performance goals for 2025:
   - Maintain CHP/CDP advance balances between 1.0 and 2.0 percent of FHLBank's total assets;
   - Approve 70 or more CHP/CDP applications;
   - Approve CHP/CDP applications from more than 30 members.

   The Quantitative Targeted Community Lending Performance Goals will be evaluated in 2025 to ensure consistency with FHLBank's mission including voluntary programs addressing affordable housing and community lending needs in FHLBank's district.

IV. FHLBank Current Programs. Identified below is a list of specific CICA and Voluntary Programs included in the Plan.

A. **Affordable Housing Program.** The AHP, including the HSP and HSP+, is set forth in FHLBank's AHP IP.

B. **Community Housing Program and Community Development Program.** These are governed by FHLBank's Member Products Policy.

   1) **Community Housing Program.** Under the CHP, FHLBank provides advances to members to finance the construction, acquisition, refinancing or rehabilitation of renter- or owner-occupied housing for households at or below 115% of area median income (AMI). See Exhibit C for program information.

   2) **Community Development Program.** Under the CDP, FHLBank provides advances to members to extend long-term fixed rate credit for community development, including the finance of qualifying commercial loans, farm loans and community and economic development initiatives. See Exhibit D for program information.

C. **Voluntary Programs**

Voluntary Program Funding: FHLBank shall allocate five percent (5%) of its net income from the prior year for Voluntary Programs in 2025. The allocation for MSU is subtracted from the 2025 funding estimate with the allocation percentages identified below being applied to the remaining funds. Voluntary Program allocations for 2025 are calculated as follows:

- Fifteen percent (15%) to NAHI,
- Ten percent (10%) to CARE/AHP Extra,
- Twenty percent (20%) to HOPE
- Twenty percent (20%) to LEAP
- Thirty five percent (35%) to Mortgage Rate Reduction Product.

After September 1, 2025 FHLBank will determine if uncommitted program funds should be redistributed between Voluntary Programs. Any change in program funding will be announced to members. Members are neither allocated nor guaranteed Voluntary Programs funds.

1) **Native American Housing Initiatives (NAHI) Grants.** FHLBank's Native American Housing Initiatives Grants assist members in promoting Native American housing in their communities. See Exhibit E for program information.
2) **AHP Extra.** FHLBank supports affordable housing projects in Colorado, Kansas, Nebraska, and Oklahoma with additional funding to help people in FHLBank's district. AHP Extra is a voluntary contribution to supplement FHLBank's statutory AHP. AHP Extra provides competitive grants to affordable housing developers, including nonprofit and for-profit organizations, and housing authorities that are engaged in creating or rehabilitating affordable housing. AHP Extra awards projects that did not score well enough for award utilizing solely the statutory contribution for the AHP General Fund. FHLBank may prioritize applications in FHLBank district states not awarded with AHP General Fund contributions. AHP Extra extends the amount of funding available beyond the regulatory contribution to meet the needs of FHLBank's district. AHP Extra grants are approved by FHLBank's board of directors.
3) **Homeownership Possibilities Expanded (HOPE).** HOPE provides down payment assistance grants to households in FHLBank's district with incomes less than 150 percent (150%) AMI. See Exhibit F for program information.
4) **Community Assistance Recovery Effort (CARE).** CARE provides assistance to members in the form of a matching grant to amplify the support our members provide to their communities when natural disasters occur. See Exhibit G for program information.
5) **Lending Enhancement Advance Program (LEAP).** FHLBank's Voluntary Discounted Advance Program allows members and housing associates to borrow at 50 to 200 basis points (bps) below regular advance interest rates to support housing and community development lending. See Exhibit H for program information.
6) **Mortgage Rate Reduction Product.** FHLBank's Voluntary Mortgage Rate Reduction Product allows FHLBank the opportunity to purchase mortgage loans from Participating Financial Institutions (PFIs) in the MPF® Program and provide grants to the PFI to effectively buy down the interest rate of the loan(s) on behalf of low-income borrowers with income less than 80 percent of the AMI. See Exhibit I for program information.
7) **FHLBank Topeka Affordable Housing Institute at MSU Denver (MSU)**. FHLBank is partnering with Metropolitan State University on the development of their Affordable Housing Institute. The institute, to be named the FHLBank Topeka Affordable Housing Institute at MSU Denver, will support the development of a future workforce, work-ready in the affordable housing space, supporting capacity-building and better positioning FHLBank Topeka Affordable Housing Institute students to access, deploy, and administer funding for affordable housing development.

V. Exceptions.

A. FHLBank, in its sole discretion, may grant exceptions to the provisions, except regulatory requirements, of the programs described herein.
B. Any exceptions to the provisions shall be documented as part of the review process at the time the application is reviewed, at disbursement and after the project is completed, and duly reported to FHLBank's Mission and Governance committee.
C. An exception to the provisions of this Plan does not constitute a contract on behalf of FHLBank for the benefit of any member, sponsor, project owner, or other third-party beneficiary associated with a project, and may not be enforced by any person against FHLBank.

VI. Notifications.

A. **Notice of Programs to Members.** FHLBank shall provide annually to each of its members a written notice identifying its CICA Programs and other activities that may provide opportunities for a member to meet the community support requirements and engage in targeted community lending. The notice shall also include a summary of targeted community lending and affordable housing activities undertaken by members, housing associates, nonprofit housing developers, community groups, or other entities in FHLBank's district, that may provide the same such opportunities.

B. **Community Support Requirement Notice.** Community Support Statements (CSS) must be submitted by FHLBank members to the FHFA biennially. FHFA has identified odd-numbered years as those in which the CSS will be completed. The CSS process will occur in 2025.

If the FHFA determines a member's submitted CSS is unacceptable, the member's access to long-term advances (credit with a term to maturity greater than one year) will be restricted. In addition, a member subject to a restriction by the FHFA to long-term advances is not eligible to participate in FHLBank's AHP or HSP or in other FHLBank CICA Programs. The restriction does not apply to AHP, HSP or other CICA applications or funding approved before the date the restriction is imposed.

VII. Equal Opportunity.

FHLBank is committed to the principles of equal opportunity and non-discrimination in FHLBank's business activities, including employment and contracting.

Policy Review

This Plan shall be reviewed annually and revised as needed by the Director of HCD. Any such revisions shall be submitted for review by the Executive Team and approval by the President and CEO, submitted to the Advisory Council for review and its recommendations and then submitted for review and approval by the MGC and the board.

Exhibits

- Exhibit A: Affordable Housing Needs, Community Lending (including CHP and CDP), and Quantitative Targeted Community Lending Performance Goal Attainment
- Exhibit B: FHLBank district Native American and Tribal Communities
- Exhibit C: Community Housing Program Advances
- Exhibit D: Community Development Program Advances
- Exhibit E: Native American Housing Initiatives (NAHI) Grants
- Exhibit F: Homeownership Possibilities Expanded (HOPE)
- Exhibit G: Community Assistance Recovery Effort (CARE)
- Exhibit H: Lending Enhancement Advance Program (LEAP)
- Exhibt I: Mortgage Rate Reduction Product
- Exhibit J: FHLBank Affordable Housing Institute at MSU Denver
- Exhibit K: Definitions

EXHIBIT A

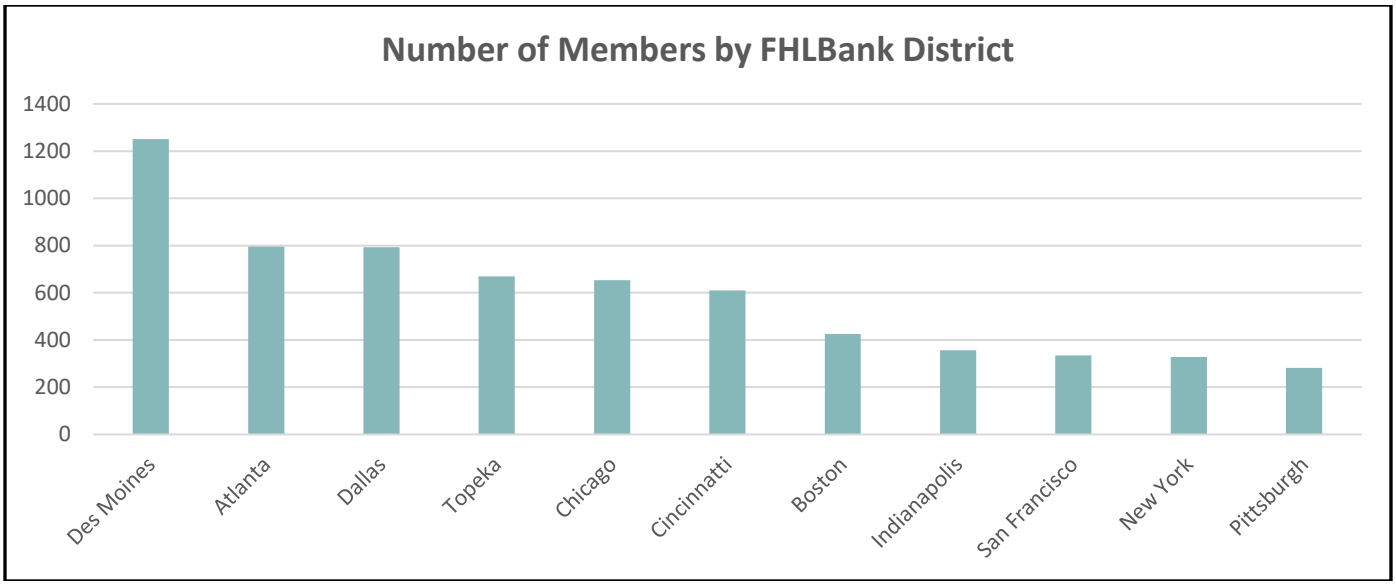
Affordable Housing Needs, Community Lending (including CHP and CDP), and Quantitative Targeted Community Lending Performance Goal Attainment

FHLBank's AHAC has identified and reported the most pressing affordable housing needs in each member's area and what steps are, or should be, taken by FHLBank through its AHP to address the identified needs. These housing needs are:

- **Geographic Dispersion** – Participation in TurnKey, CDP, and CHP in Colorado lags participation in the other FHLBank district states. HCD staff continues outreach efforts to members and AHP project sponsors in Colorado with guidance from the AHAC. Additionally, a new partnership with MSU Denver will bring additional focus to FHLBank efforts to address the challenges faced in Colorado. Geographic challenges also exist in the rural areas of FHLBank's district which have limited and often aging housing stock compared to more urban areas of FHLBank's district.
- **Housing Affordability** – Data from Homeownership Set-aside Program (HSP) participating households shows the ratio of average house price to average household income increased from 1.97 to 2.60 over the past 15 years. Average house prices are increasing more rapidly than average household income. Other factors making homeownership affordability increasingly challenging includes the increase in interest rates (3.22% in January, 2022 to 6.7% in 2024) and the rising cost of homeowners insurance. Rental housing affordability is equally troublesome in FHLBank's district with a significant increase in the number of households moderately or severely cost-burdened and the loss of low-rent units in every state in FHLBank's district.
- **Minority and Native American Housing Needs** – Minority groups face a number of challenges within the housing market including lower homeownership rates. The ability of Native American Tribes to fund and operate housing programs for their members is dependent on the resources available and organizational capacity.
- **Community Lending** – AHAC continues to monitor FHLBank members' community lending using CHP and CDP advances, and FHLBank's attainment of the community lending quantitative performance goals. A program encouraging community lending to support affordable housing and community development will be launched in 2025.

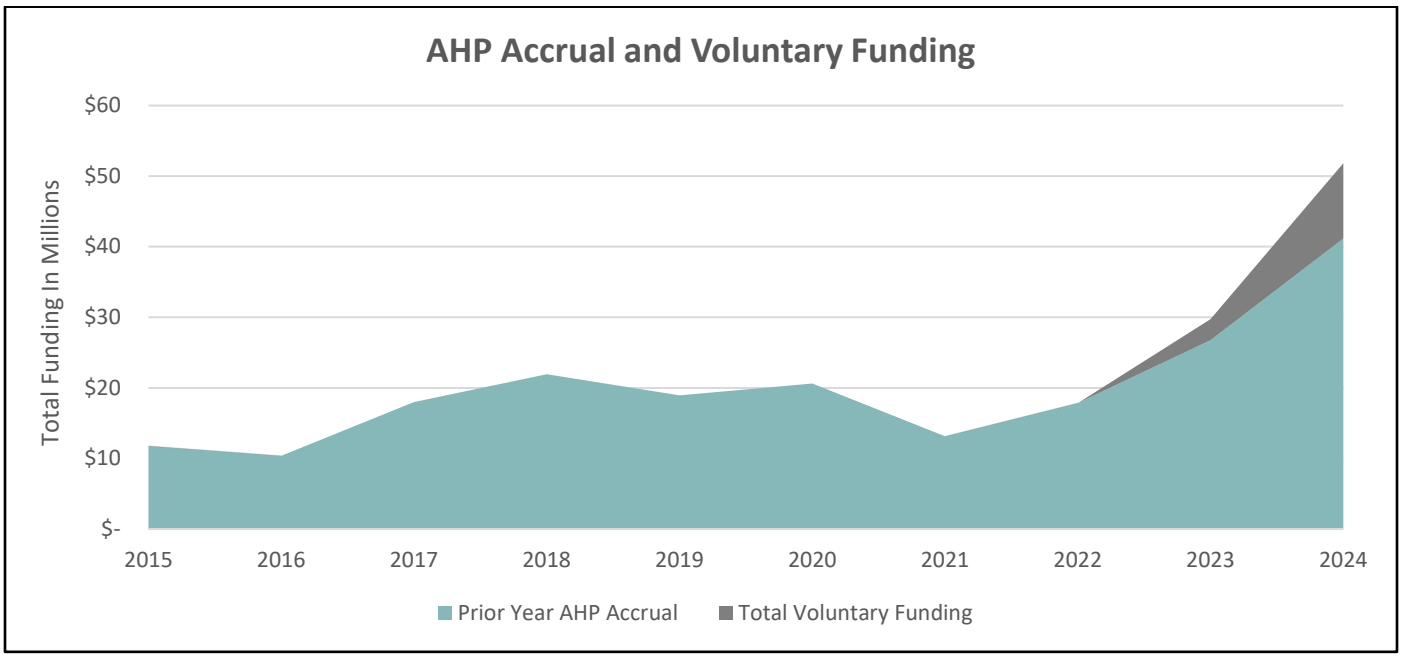
About FHLBank Topeka

FHLBank serves financial institution members in Colorado, Kansas, Nebraska, and Oklahoma. FHLBank's district is mostly rural with only three Metropolitan Statistical Areas in the top 50 nationally: Denver, Oklahoma City, and Kansas City (shared with Missouri). The population of FHLBank's district is currently served by 670 members of FHLBank. The majority of these members are considered Community Financial Institutions (CFI) with deposits insured by the Federal Deposit Insurance Corporation and total assets under the CFI cap. As of January 1, 2024, the CFI cap as determined by the FHFA is $1.461 billion. In terms of members, FHLBank is the fourth largest of the Federal Home Loan Banks.

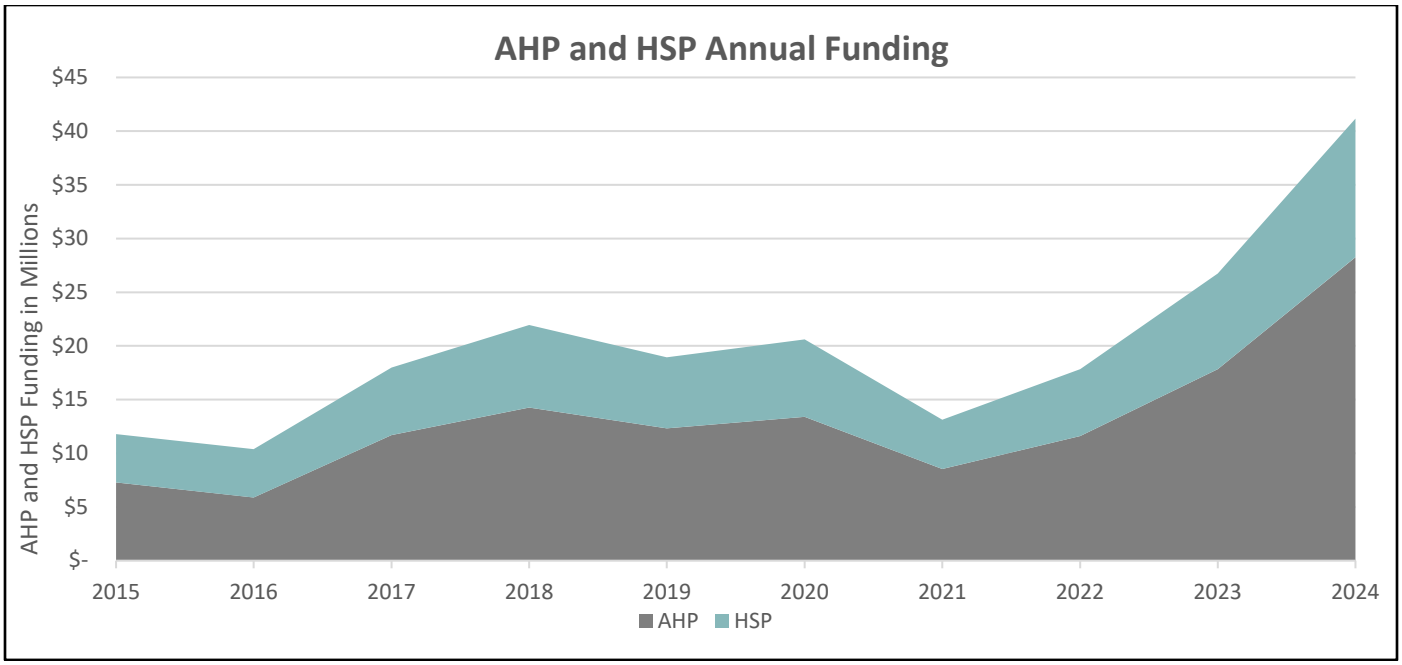


FHLBank's AHP is funded annually with a 10 percent contribution from the previous year's net income. Strong earnings in 2023 led to a record accrual of more than $41 million for the AHP in 2024.

Total funding for AHP and Voluntary Programs in 2024 totaled nearly $52 million. As previously noted, FHLBank will commit five percent (5%) of 2024 earnings to Voluntary Programs in 2025. The amount committed to grant funding is the highest in FHLBank's history.

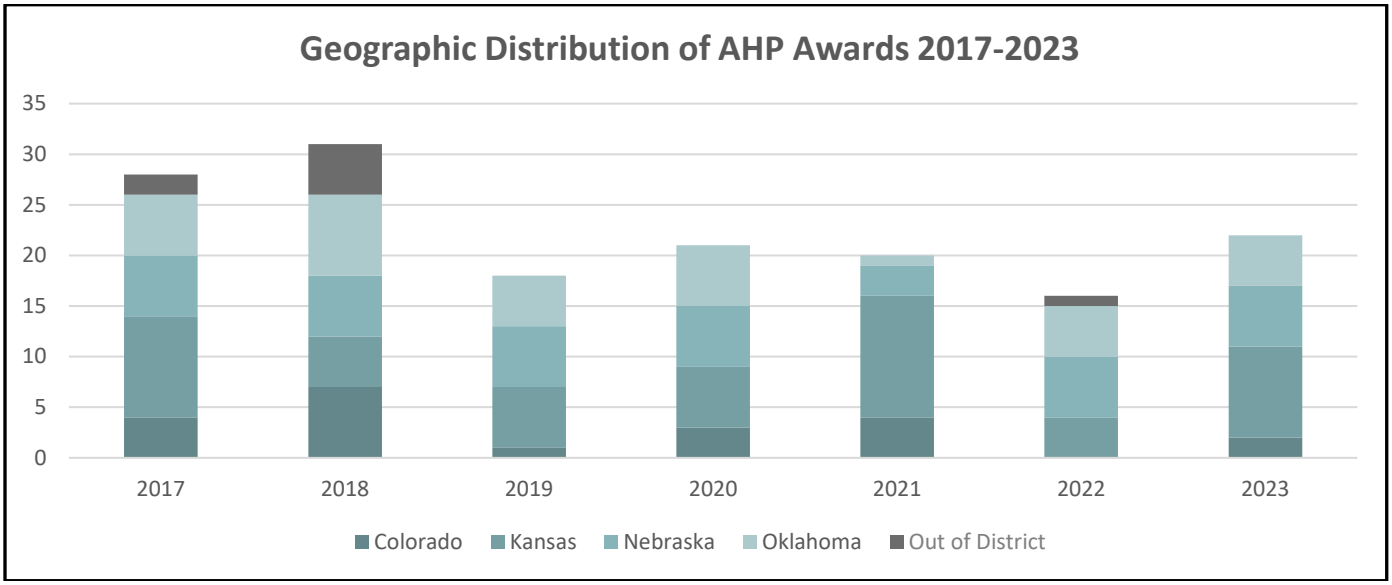


Since 2015, FHLBank has allocated the greater of 35 percent of the prior year AHP accrual or $4.5 million to the HSP. FHLBank and its members are committed to promoting homeownership for first-time homebuyers in FHLBank's district with this commitment to funding the HSP.

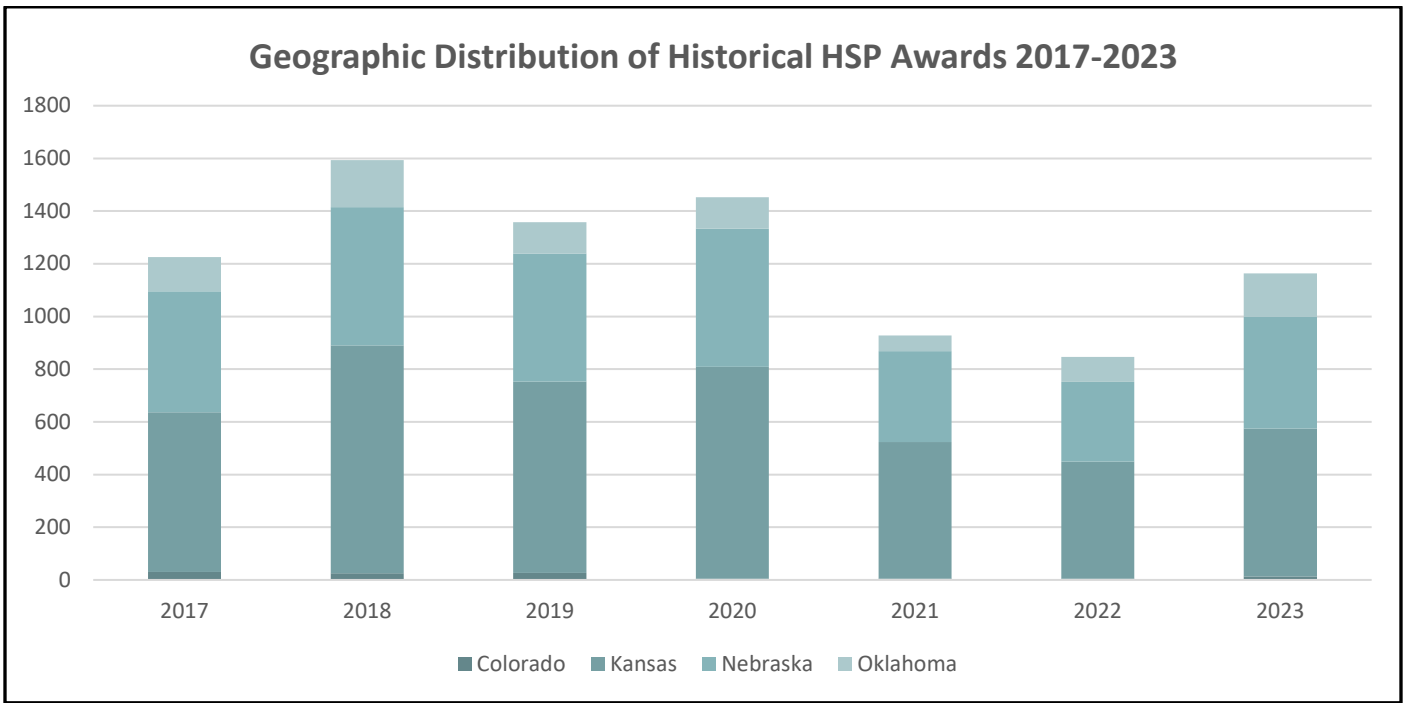


Geographic Dispersion

Generally, all states in FHLBank's district have received at least one AHP award from the funds available in the 2017-2023 AHP funding rounds. Colorado did not receive an AHP award in 2022. FHLBank designates alternate projects along with projects selected for funding each round. In the event funds become available from project withdrawals, recaptures, or repayments, alternate projects are funded. This ensures timely deployment of each year's AHP.



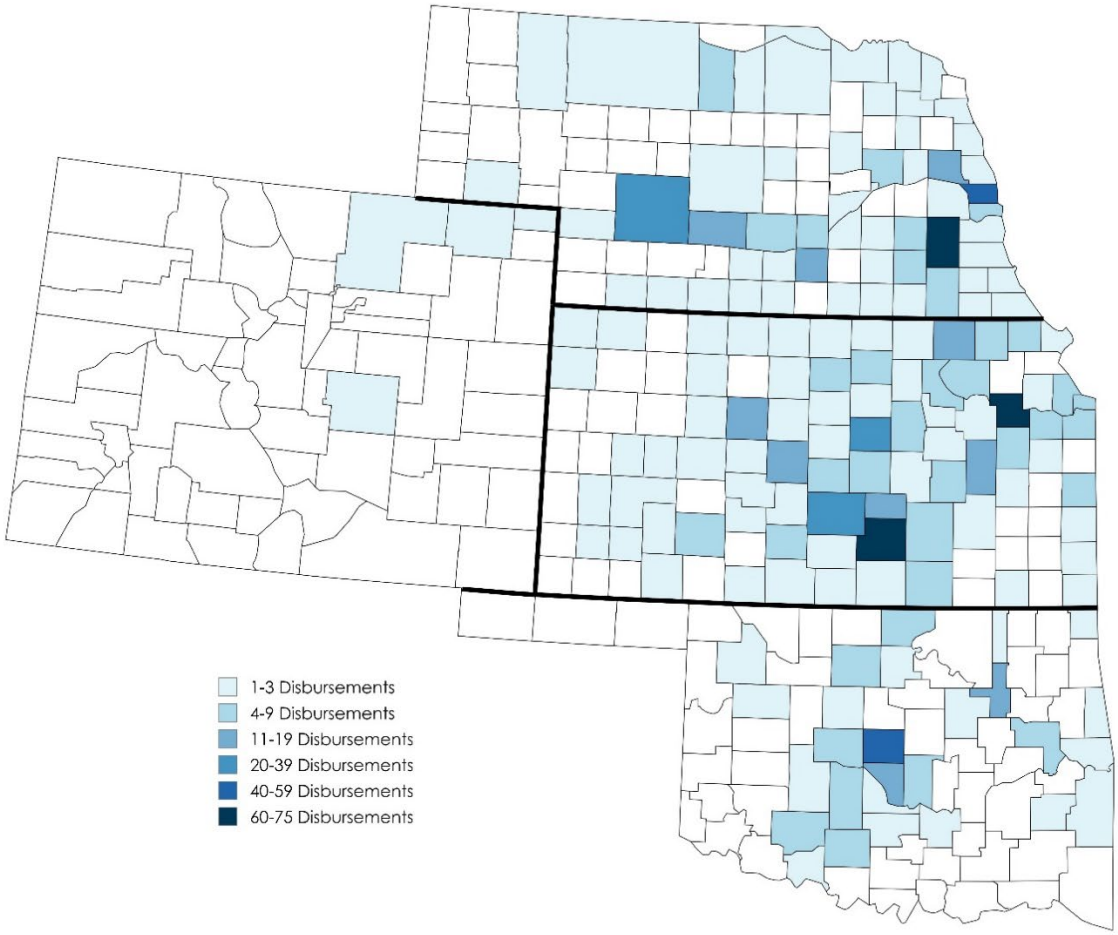
The HSP also reaches all four states; however, participation by members in Colorado, and to a lesser extent in Oklahoma, has significantly lagged the other FHLBank district states. HCD staff have continued outreach efforts in Colorado and Oklahoma. In 2021 the maximum HSP subsidy per household was increased from $5,000 to $7,500 and again in 2024 to $15,000 to attract additional participation and to address increasing housing costs in FHLBank's district. These efforts have not increased participation in Colorado; however, program utilization in Oklahoma increased in 2023 over 2022.



As of September 30, 2024, all TurnKey program funds have been reserved and the majority of reservations have been disbursed. The heat maps below show the distribution of the subsidy to households across FHLBank's district.

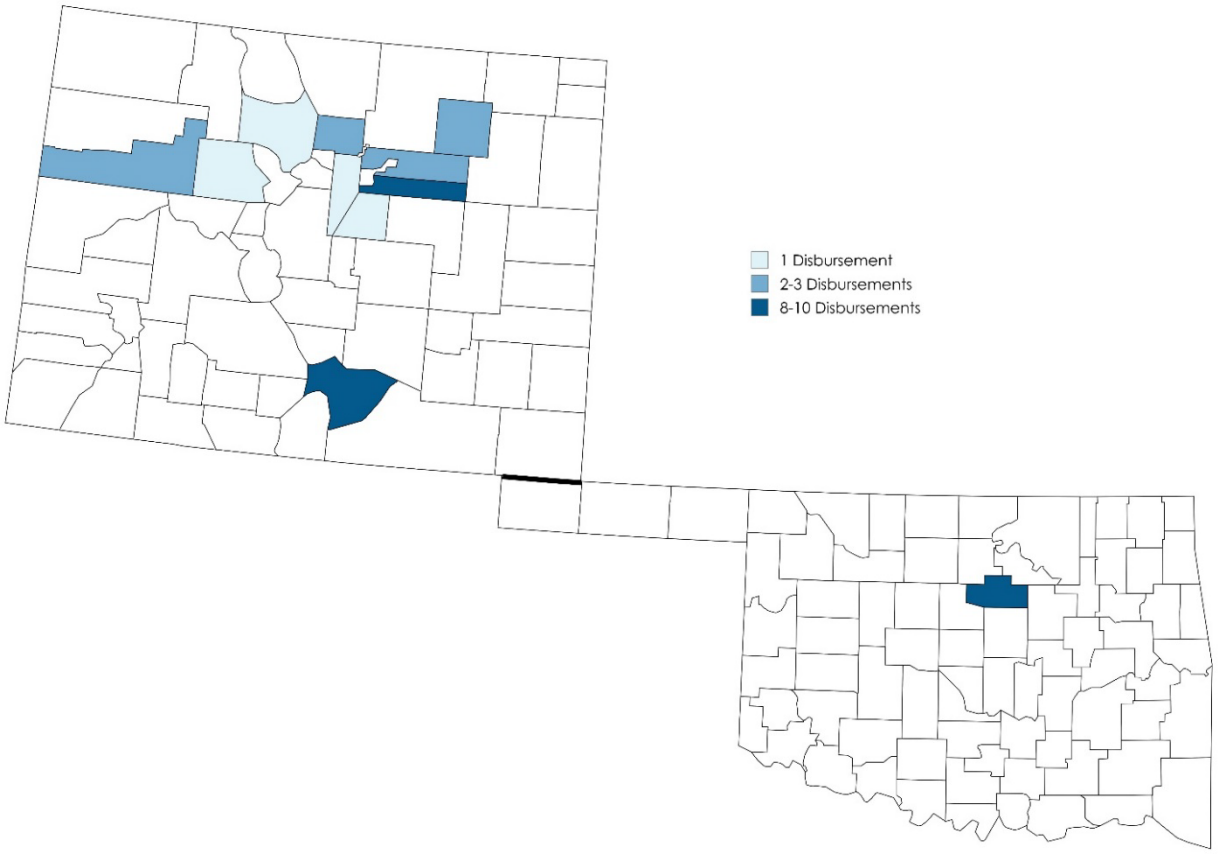
HSP

There are 164 members with active reservations or disbursements on behalf of 894 first-time homebuyer households. Nearly all (99%) of reservations have been disbursed to members. HSP disbursements in 2024 by state is as follows:



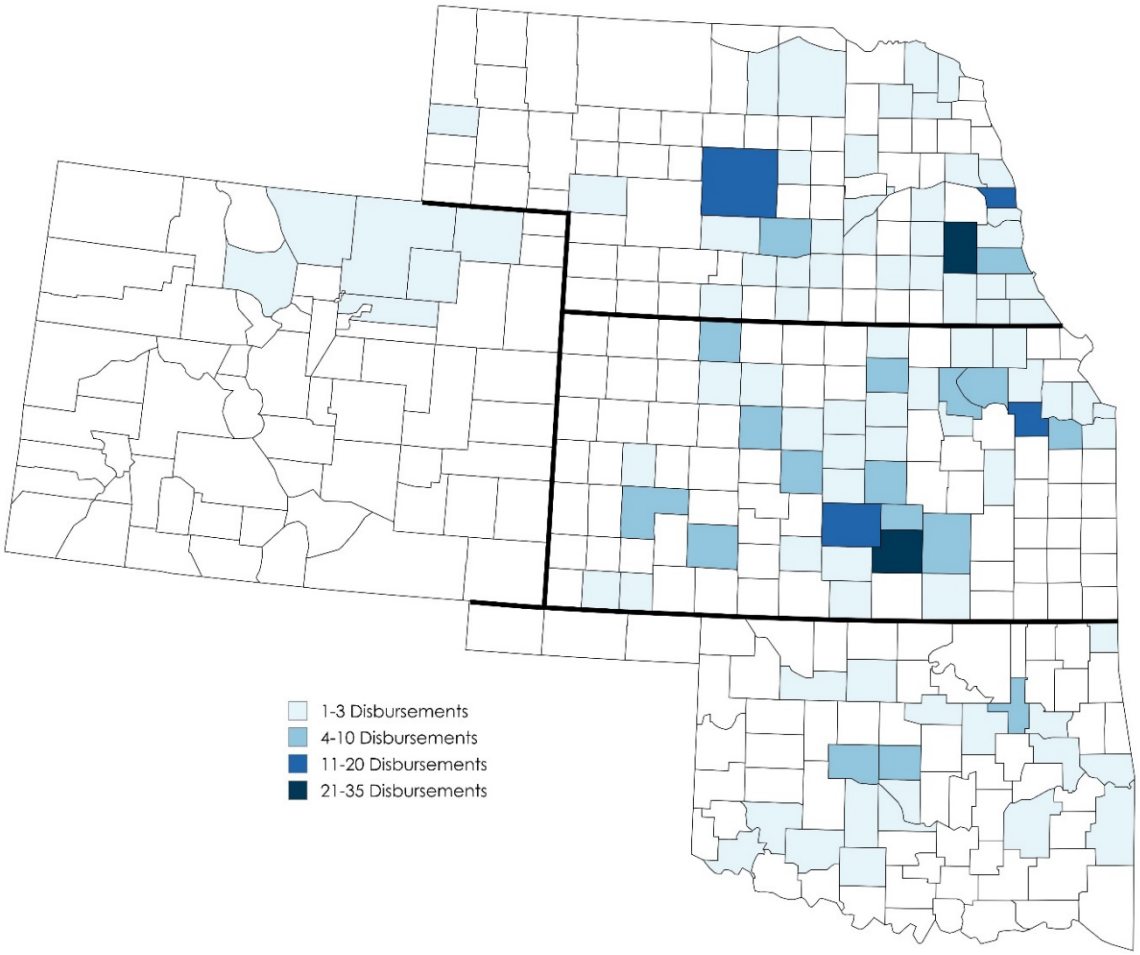
HSP+

There are 11 members with active reservations or disbursements on behalf of 60 first-time homebuyers in High-Cost and Difficult Development Areas. The majority (83%) of approved reservations have been disbursed. HSP+ disbursements in 2024 by state is as follows:

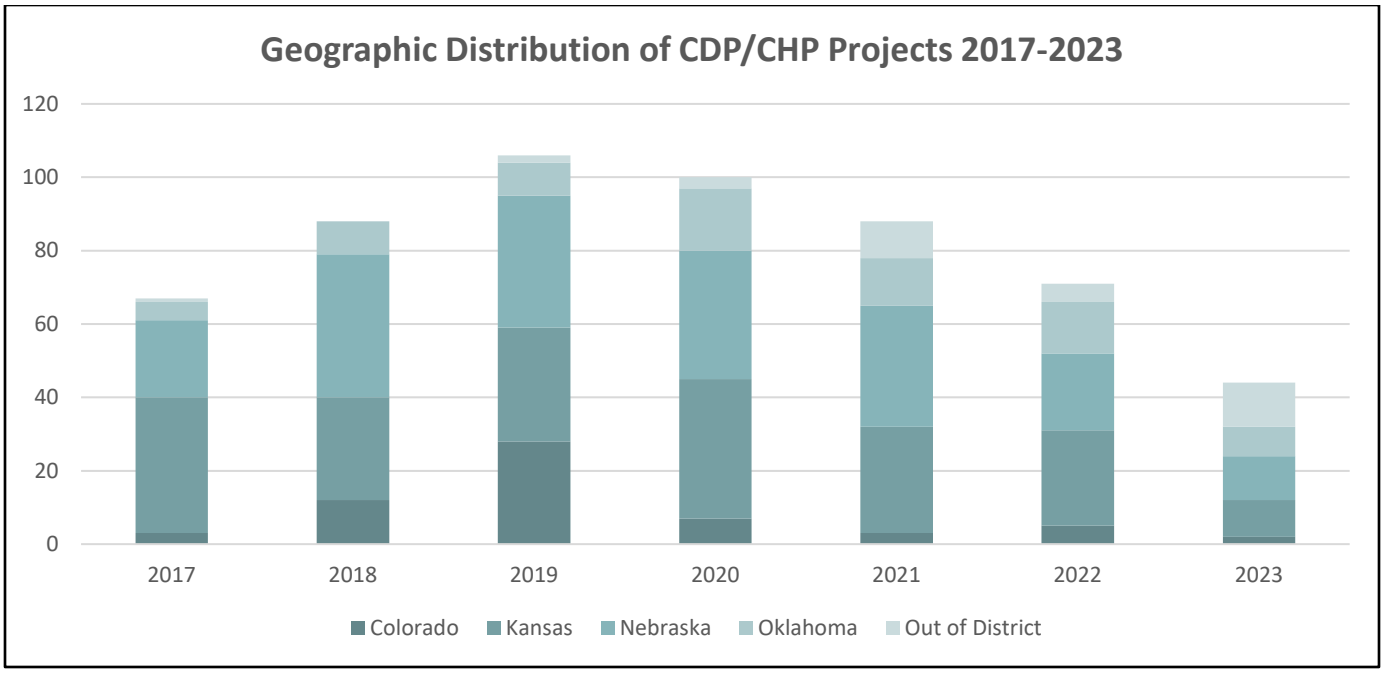


HOPE

There are 103 members with active reservations or disbursements on behalf of 353 households. Nearly all (98%) of HOPE reservations have been disbursed to members. HOPE disbursements in 2024 by state is as follows:



Distribution of CDP and CHP projects likewise is predominately in Kansas and Nebraska, with a lower level of participation by members funding projects in Colorado and Oklahoma. All states have projects approved for funding from FHLBank members using the CDP and CHP.



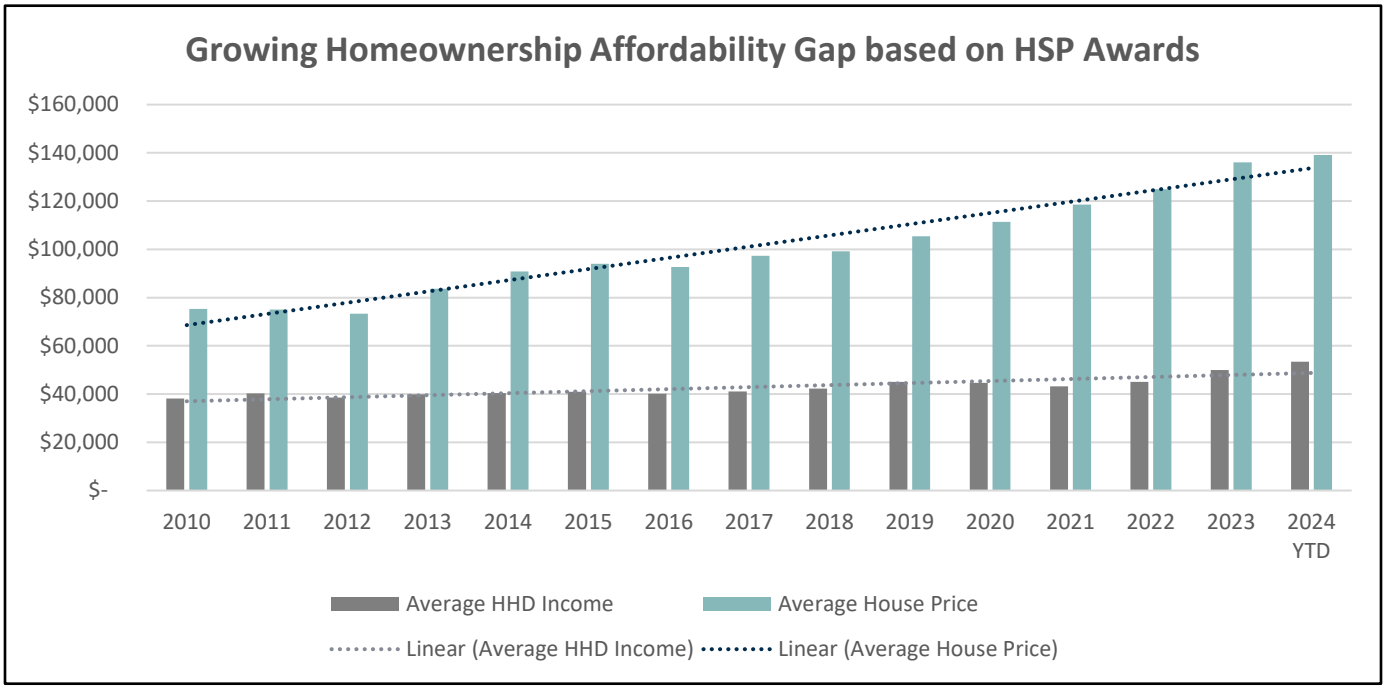
As noted above, HCD staff are in contact with housing professionals in all FHLBank district states. The following listing does not include technical assistance and staff training conducted by phone or virtual meeting for sponsors, members, and potential HCD programs (including AHP, TurnKey, and NAHI) participants. Scheduled formal meetings with interested stakeholders are listed below.

Housing and Community Development 2024 Outreach		
Event	**Event Date**	**Event Location**
NAHI check presentation	01/04/2024	Tulsa, OK
Colorado Commission of Indian Affairs quarterly meeting	03/14/2024	Denver, CO (virtual)
Oklahoma Mortgage Summit	04/03/2024	Oklahoma City, OK
Shelter KC Phase 1 Press Conference	04/05/2024	Kansas City, MO
NIFA Housing Conference	04/15/2024-04/17/2024	Lincoln, NE
Grand Opening and Ribbon Cutting for Widmer	04/16/2024	Shawnee, KS
AMC	04/17/2024-04/19/2024	Overland Park, KS
Timber Visit with Senator Moran	04/25/2024	Wichita, KS
First HOPE Recipient Celebration	05/03/2024	Hutchinson, KS
Native American Housing Initiatives Grants Program Webinar	05/13/2024	Webinar
Developers Summit	06/05/2024	Omaha, NE
Poverty Simulation	06/05/2024, 09/05/2024, 10/23/2024	Topeka, KS (FHLBank)
Oweesta National Convening	06/10-12/2024	Santa Ana Pueblo, NM
Business Partner Experience at Shadow Lake	06/14/2024	Papillion, NE
Groundbreaking at Cherokee Nation	07/09/2024	Tahlequah, OK
Seminole Nation of Oklahoma Groundbreaking	08/06/2024	Wewoka, OK
Colorado Regional Meeting	08/15/2024	Thornton, CO
Kansas Housing Conference	08/20/2024-08/22/2024	Overland Park, KS
Nebraska Regional Meeting	08/26/2024	Lincoln, NE
Nebraska Toolkit: Supportive Services Financing meeting	09/10/2024	Lincoln, NE

NAHRO NE Conference	09/17/2024-09/28/2024	Norfolk, NE
Kansas Regional Meeting	09/24/2024	Mayetta, KS
Oklahoma Housing Conference	09/24/2024-09/26/2024	Midwest City, OK
Cloud Village Open House	09/27/2024	Concordia, KS
Business Partner Experience at Eden Village	10/04/2024	Kansas City, KS
Kansas Housing Association Fall Learning Session	10/3/2024	Leawood, KS
Colorado Housing Conference	10/09/2024-10/11/2024	Keystone, CO
Oklahoma Regional Meeting	10/16/2024	Edmond, OK

Housing Affordability

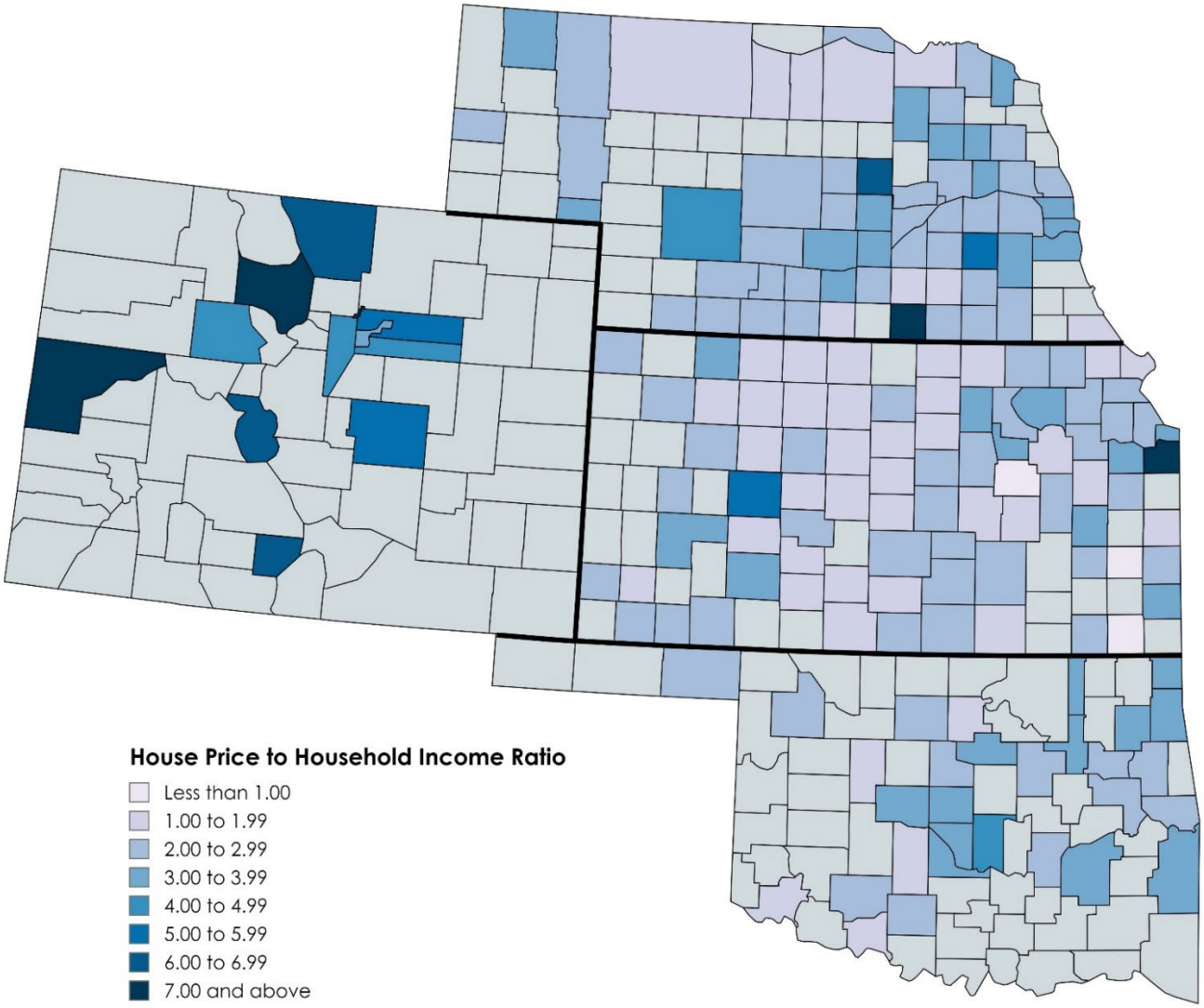
Housing affordability is challenging for both renters and homeowners in FHLBank's district. The homeownership affordability gap continues to increase in FHLBank's district. Using data from FHLBank's HSP (not including High-Cost Areas HSP or HSP+), the growing gap is demonstrated by contrasting a 15-year average household income growth of $13,296 with the increase of $68,330 in the average house price. The ratio of average house price to average household income has increased from 1.97 to 2.60 over the past 15 years after peaking at 2.77 in 2022. Data for 2024 year to date is through August 30, 2024. The decrease in average household income during 2019 to 2021 YTD may be attributable to decreased household income due to the COVID-19 pandemic. Average household income recovered in 2024 with an increase of $10,260 from the 2021 average.



Specifically addressing the homeownership affordability challenges faced in FHLBank's district, FHLBank's Homeownership Set-aside Program (HSP) data for 2023 can be used to generate house price to household income ratios for both metropolitan and non-metropolitan counties in FHLBank's district. HSP data includes the traditional HSP and the High-Cost Areas HSP. Data is available for 1,217 first-time homebuyer households from 185 counties. County delineation is used for ease of mapping the corresponding ratios. The average ratio for each county is calculated with sample sizes ranging from around 90 units (Sedgwick and Shawnee counties in Kansas, Douglas and Lancaster counties in Nebraska) to 58 counties with only a single unit funded with HSP in 2023. Small sample sizes lead to anomalies such as Nuckolls County, Nebraska, reporting an average ratio exceeding 7.0.

As expected, the following map shows generally higher house price to household income ratios in Colorado compared to the other FHLBank district states. The ratio is generally higher in metropolitan counties compared to rural counties.

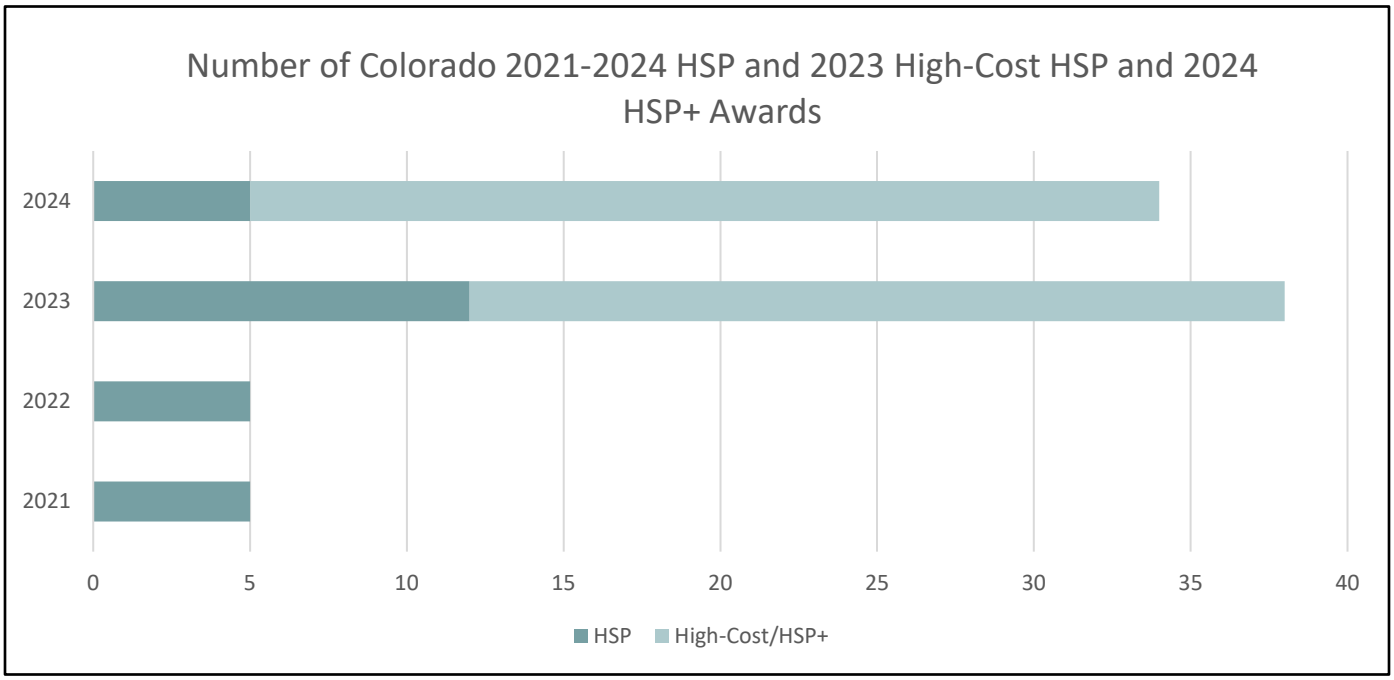
The average ratio for all 1,217 units funded in 2023 was 2.86, approximately one-half of the national ratio for metropolitan areas reported by the JCHS. Even with increasing housing costs, homeownership is more affordable in FHLBank district states than other areas of the nation.



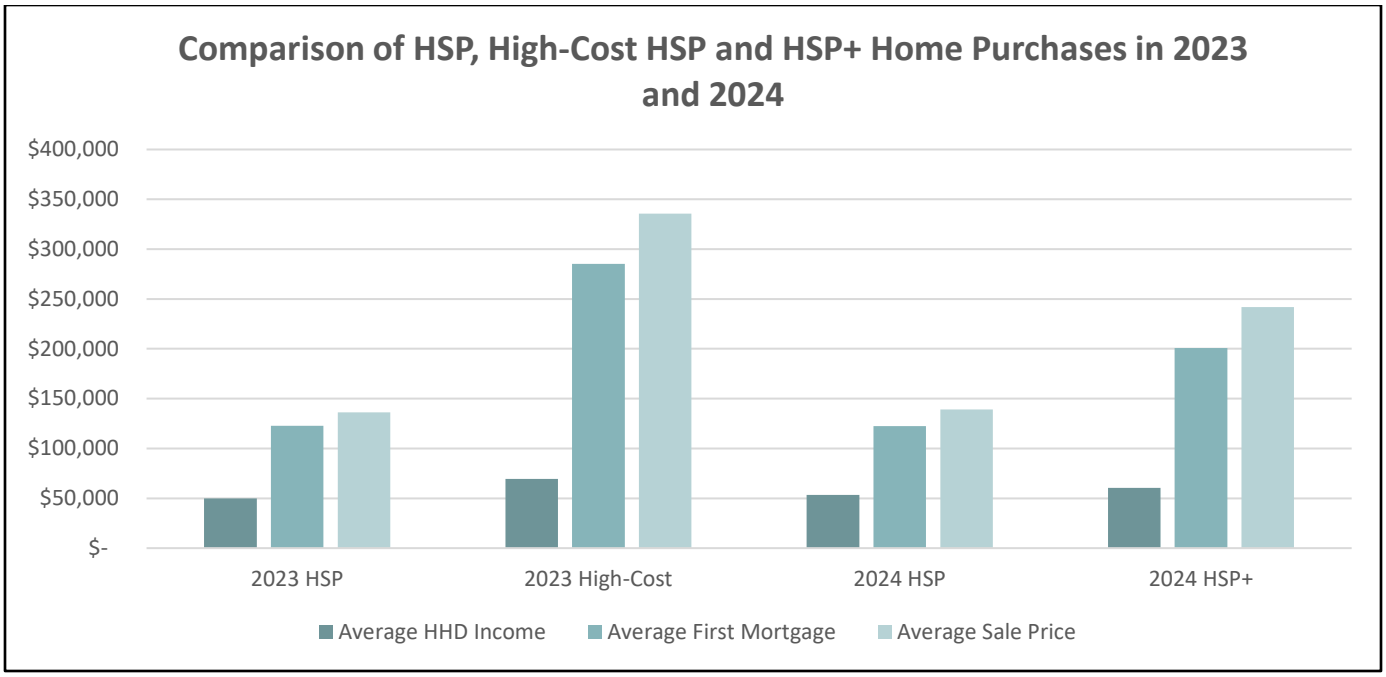
AHAC discussions have included the high cost of housing in Colorado has made homeownership nearly impossible for low- to moderate-income households without the infusion of significant subsidy. AHAC also provided input for HCD to consider when attempting to increase participation in the AHP and HSP by Colorado members. Providing an enhanced level of HSP funding for first-time homebuyers in High-Cost Areas is an incentive for Colorado members to participate in the HSP, and more meaningful support for first time homebuyers in those areas. The HSP High-Cost Program was introduced in 2023 providing $15,000 subsidy per household to households in eligible counties in Colorado. The program was rebranded in 2024 as Homeownership Set-aside Program Plus (HSP+) and subsidy increased to $25,000 per household. HSP+ provides down payment, closing cost and repair assistance to first-time homebuyers earning at or below 80 percent (80%) of the AMI for households purchasing or constructing homes in High-Cost Areas and Non-metropolitan Difficult Development Areas in FHLBank's district.

High-Cost Areas and Non-metropolitan Difficult Development Areasare counties in which 115 percent of the local median home value exceeds the baseline conforming loan limit (CLL), as established annually by the FHFA or areas with high land, construction, and utility costs relative to the AMI. The designation is based on Section 42(d)(5) of the Internal Revenue Code and uses data from Fair Market Rents, Income limits, the 2020 Census, and the five-year American Community Survey. DDA designations are validated using the HUD website Qualified Census Tracts and Difficult Development Area. Current HSP+ counties in Colorado are as follows: Adams, Arapahoe, Archuleta, Boulder, Broomfield, Chaffee, Clear Creek, Crowley, Denver, Douglas, Eagle, Elbert, Garfield, Gilpin, Grand, Gunnison, Jefferson, Lake, La Plata, Mineral, Montezuma, Morgan, Ouray, Park, Pitkin, Routt, San Juan, San Miguel, Summit, and Yuma. Kearny County is the only HSP+ county in Kansas. Current HSP+ counties in Oklahoma are: Bryan, Craig, Delaware, Pottawatomie, Texas, and Woodward.

Utilization of downpayment assistance programs in Colorado increased with the addition of the 2023 High-Cost HSP and 2024 HSP+. The graph below shows the number of awards in Colorado from 2021-2024. There was a decrease in the use of HSP from 2023 to 2024 but the number of HSP+ increased in 2024 as compared to the 2023 High-Cost HSP awards.



The chart below compares data for households receiving subsidy from HSP and HSP+ in 2024. HSP+ households were from eligible counties in Colorado or one eligible county in Oklahoma. The averages for HSP+ were lower in 2024 than 2023 due to the addition of Payne county households in Oklahoma. HSP+ homebuyers in Colorado paid an average of 4 times their household income for their homes, compared to 2.6 times household income in the 2024 HSP households in FHLBank's district.



The Joint Center for Housing Studies of Harvard University (JCHS) issued its report *America's Rental Housing 2024* on January 25, 2024. The report concludes more households are cost-burdened than ever before. The following table shows the number of cost-burdened renter households in FHLBank's district by state.

Number of Housing Cost-Burdened Renters: 2001 and 2022						
	Number of Renter Households (Thousands)					
	2001			2022		
State	Moderately Burdened	Severely Burdened	All Renters	Moderately Burdened	Severely Burdened	All Renters
Colorado	136.2	115.3	581.0	198.3	208.2	796.2
Kansas	57.2	63.5	330.1	86.3	87.9	377.6
Nebraska	37.2	38.1	218.3	61.2	58.7	275.7
Oklahoma	92.5	78.7	422.1	116.4	126.4	541.4
FHLBank	323.1	295.6	1,551.5	462.2	481.2	1,990.9
Source: US Census Bureau, American Community Survey 1-Year Estimates, tabulated by JCHS						

A household is considered moderately cost-burdened if monthly housing costs are 30 percent (30%) to 50 percent (50%) of monthly income. Severe cost-burden occurs when monthly housing costs exceed 50 percent (50%) of monthly income.

The report shows 943,400 households in FHLBank's district that are either moderately or severely cost-burdened compared to 618,700 households in 2001. The need for affordable units is increasing across FHLBank's district.

Concurrent with the increased need for affordable rental units is the reduction in low-rent units available in FHLBank's district. A monthly rent of $600 is considered low-rent as it is the maximum amount affordable to the 26 percent (26%) of renters nationally with annual incomes under $24,000. The following table shows the loss of 156,000 units with monthly rents under $600 in FHLBank's district from 2012 to 2022. The loss of low-rent units exacerbates cost-burdens on low-income households.

Change in the Number of Low-Rent Units, 2012-2022					
	Number of Units with Contract Rents Under $600 (Thousands)				
State	2012	2019	2022	2012-2022 Change	2019-2022 Change
Colorado	95	67	58	-36	-9
Kansas	154	128	110	-44	-18
Nebraska	91	71	68	-23	-3
Oklahoma	215	171	162	-53	-9
FHLBank	2,567	2,456	2,420	-156	-39
Source: US Census Bureau, American Community Survey 1-Year Estimates, tabulated by JCHS					

National Low Income Housing Coalition (NLIHC) Assessments by State

Founded in 1974, the NLIHC educates, organizes and advocates to ensure decent, affordable housing for everyone. NILHC's goals are to preserve existing federally assisted homes and housing resources, expand the supply of low-income housing, and establish housing stability as the primary purpose of federal low-income housing policy. One tool employed by NLIHC to achieve these goals is the publication of housing profiles by state. Extremely low-income (ELI) households have incomes at or below the poverty guideline or 30 percent (30%) of the AMI. The maximum income for a four-person ELI household is $33,940 in Colorado, $28,250 in Kansas, $29,460 in Nebraska, and $27,750 in Oklahoma. FHLBank district housing needs for ELI tenant households are summarized in the table below.

Rental Homes Needed for Extremely Low-Income Households by State				
Colorado	Kansas	Nebraska	Oklahoma	FHLBank District
119,782	52,340	45,275	77,344	294,741
Source: NLIHC tabulation of 2022 American Community Survey Public Use Microdata Sample				

Colorado

- 76 percent of ELI renter households are severely cost-burdened, spending more than half their income on housing
- 37 percent of ELI renter households are in the labor force
- 30 percent of ELI renter households are seniors

Kansas

- 73 percent of ELI renter households are severely cost-burdened
- 38 percent of ELI renter households are in the labor force
- 22 percent of ELI renter households have a disability

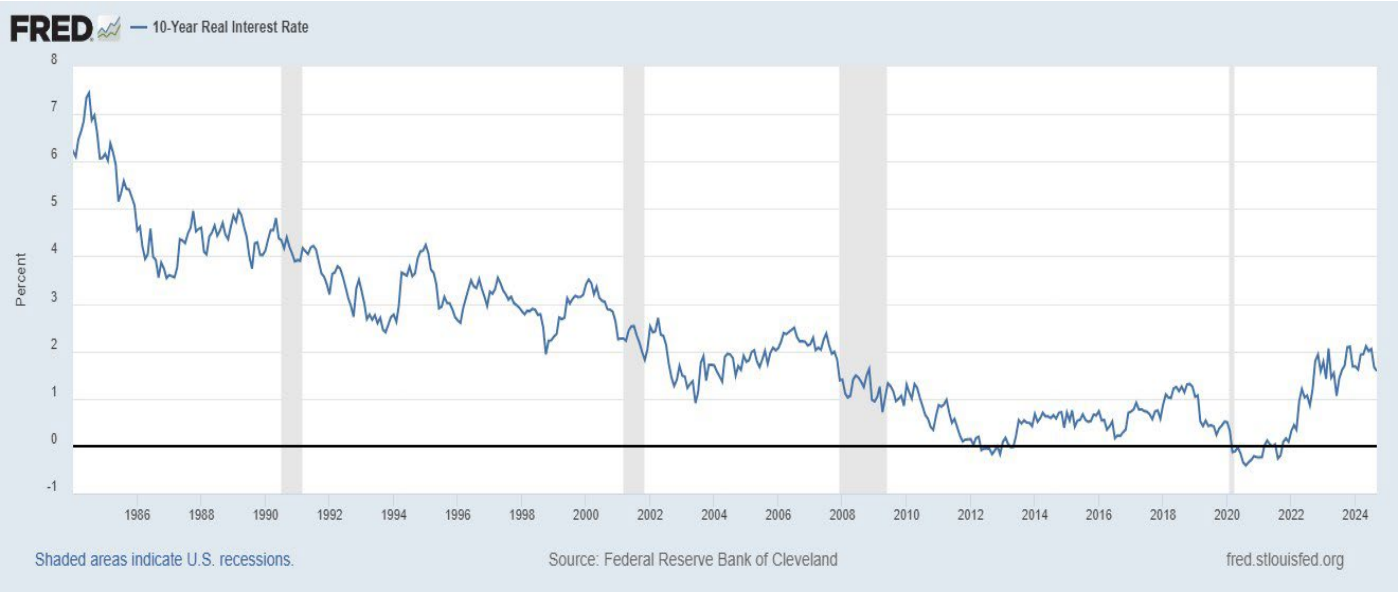
Nebraska

- 73 percent of ELI renter households are severely cost-burdened
- 36 percent of ELI renter households are in the labor force
- 31 percent of ELI renter households are seniors

Oklahoma

- 71 percent of ELI renter households are severely cost-burdened
- 36 percent of ELI renter households are in the labor force
- 27 percent of ELI renter households have a disability

The chart below depicts the 10-Year Real Interest Rate over the last 40 years. Interest rate is one of several factors that impact homeownership affordability. High interest rates can make homeownership more difficult to obtain for low-income housholds.



Source: Federal Reserve Bank of Cleveland, 10-Year Real Interest Rate [REAINTRATREARAT10Y], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/REAINTRATREARAT10Y, October 4, 2024.

Rising Homeowner Insurance Rates

According to S&P Global Market Intelligence, owner-occupied homeowner insurance rates nationally rose 11.3 percent (11.3%) in 2023 and 33.8 percent (33.8%) from 2018-2023. S&P Global Market Intelligence reviewed rate filings sourced from the Department of Insurance in each state, except Wyoming, through Dec. 29, 2023. The analysis of rate filings looked at the 10 largest homeowners insurance underwriters in the state plus any of the country's 10 largest homeowners insurance underwriters outside the state's top 10. The table below shows the percentage of homeowners insurance effective rate increases since 2018.

Homeowners Insurance Rate Change %								
	2018	2019	2020	2021	2022	2023	Cumulative change	
							2022-2023	2018-2023
Colorado	6.2	5.8	5.8	6.6	11.4	11.8	24.6	57.9
Kansas	2.8	2.1	2.5	4.1	4.7	8.7	13.8	27.3
Nebraska	5.3	4.4	4.7	5.1	6.7	15.1	22.8	48.6
Oklahoma	4.1	1.4	3.6	3.1	10.7	14.0	26.1	42.2
United States	3.2	2.5	3.0	3.8	6.2	11.3	18.2	33.8
Source: S&P Global Market Intelligence								

Three states in FHLBank's district ranked in the top 10 of states where insurance costs have risen the most from 2018 through 2023. Colorado is the 2nd highest behind Texas, Nebraska is 5th and Oklahoma is 10th in the rankings. Colorado and Oklahoma are 2 of 5 states with double-digit increases in both 2022 and 2023.

Top Ten Most Expensive States for Home Insurance in 2024		
State	**Average Yearly Projected Home Insurance Rate EOY 2024**	**Projected Monthly Premium**
Florida	$11,759	$980
Louisiana	$7,809	$651
Oklahoma	$5,711	$476
Mississippi	$4,482	$374
Texas	$4,437	$370
Colorado	$4,367	$364
Nebraska	$4,292	$358
Alabama	$4,281	$357
Kansas	$3,666	$306
Arkansas	$3,662	$305
Source: Analysis of Insurify data Unless otherwise stated, rates in this report represent the average annual cost of an HO-3 insurance policy for homeowners with good credit and zero claims within the past five years covering a single-family, frame house with the following coverage limits: $300,000 dwelling, $300,000 liability, $25,000 personal property, $30,000 loss of use, and a $1,000 deductible.		

An increase in the number of weather and climate related events in recent years have contributed to the increase in premiums. Nebraska averaged one weather/climate event a year that caused a billion dollars or more (CPI-adjusted) in damage from 1980-2019. The number of disaster events, costing over a billion dollars each in Nebraska, rose to an average of 4 per year from 2019-2023. Insurance rates are also impacted by inflation, the cost of labor and materials to replace or repair, cost of reinsurance (insurance for insurers) and rising home values. The Insurance Information Institute suggests making the home more disaster-resistant or updating heating, plumbing and electrical systems of older homes may help to lower insurance premiums. As home insurance is one component calculated into closing costs and monthly payments, this could impact affordability if rates continue to rise as predicted.

Minority and Native American Housing Needs

Addressing the Homeownership Gap for Black and Hispanic Homebuyers

The Joint Center for Housing Studies of Harvard University (JCHS) published a research paper estimating the number of Black and Hispanic first-generation homebuyer households that could transition from renting to homeownership through the use of down payment assistance programs. By using programs modeled after the Downpayment Toward Equity Act of 2021, the JCHS estimated that if 700,000 Black and 400,000 Hispanic income-ready households were to purchase a home, Black and Hispanic homeownership rates would increase 8.0 and 3.2 percent, respectively.

The study included state-level data showing the effect of a down payment assistance program offering $25,000 for first-generation homebuyer households. A moderately priced home is estimated using 80 percent of the Zillow Home Value Index. Mortgage assumptions are 3.5 percent down, 3 percent closing costs, 30-year fixed rate loan at 6.112 percent interest, mortgage insurance of 0.85 percent of the loan, and property taxes and insurance at 1.15 percent and 0.34 percent of the home value, respectively. Mortgage amounts and payments are estimated with and without $25,000 of down payment assistance. Monthly savings were greatest in Oklahoma and the least in Colorado, consistent with the lowest and highest housing costs in FHLBank's district.

State Home Values and Housing Costs (September 2022)							
State	Typical Home Value (80% of ZHVI*)	Mortgage without Down Payment Assistance	PITI without Down Payment Assistance	Extra Funds Available after Down Payment	Mortgage with Down Payment Assistance	PITI with Down Payment Assistance	Monthly Savings with Down Payment Assistance
Colorado	$ 462,000	$ 459,690	$ 3,498	$ 8,830	$ 450,860	$ 3,438	$ 60
Kansas	$ 171,976	$ 171,116	$ 1,433	$ 18,981	$ 152,135	$ 1,304	$ 129
Nebraska	$ 198,902	$ 197,907	$ 1,670	$ 18,038	$ 179,869	$ 1,547	$ 123
Oklahoma	$ 150,332	$ 149,580	$ 1,179	$ 19,738	$ 129,842	$ 1,045	$ 134
* Zillow Home Value Index Source: "How Much Can Downpayment Assistance Close Homeownership Gaps for Black and Hispanic Households?", Joint Center for Housing Studies, Harvard University, March 2023							

State-level data was also presented showing the number of income-ready Black and Hispanic renter households. A household is considered income-ready if it has sufficient income to purchase a moderately priced home with the help of down payment assistance to meet the need for cash at closing. The study assumes a housing cost to income ratio of 31 percent. Renter households whose incomes are high enough to afford monthly payments on a moderately priced home in their market without exceeding this ratio are considered able to afford homeownership.

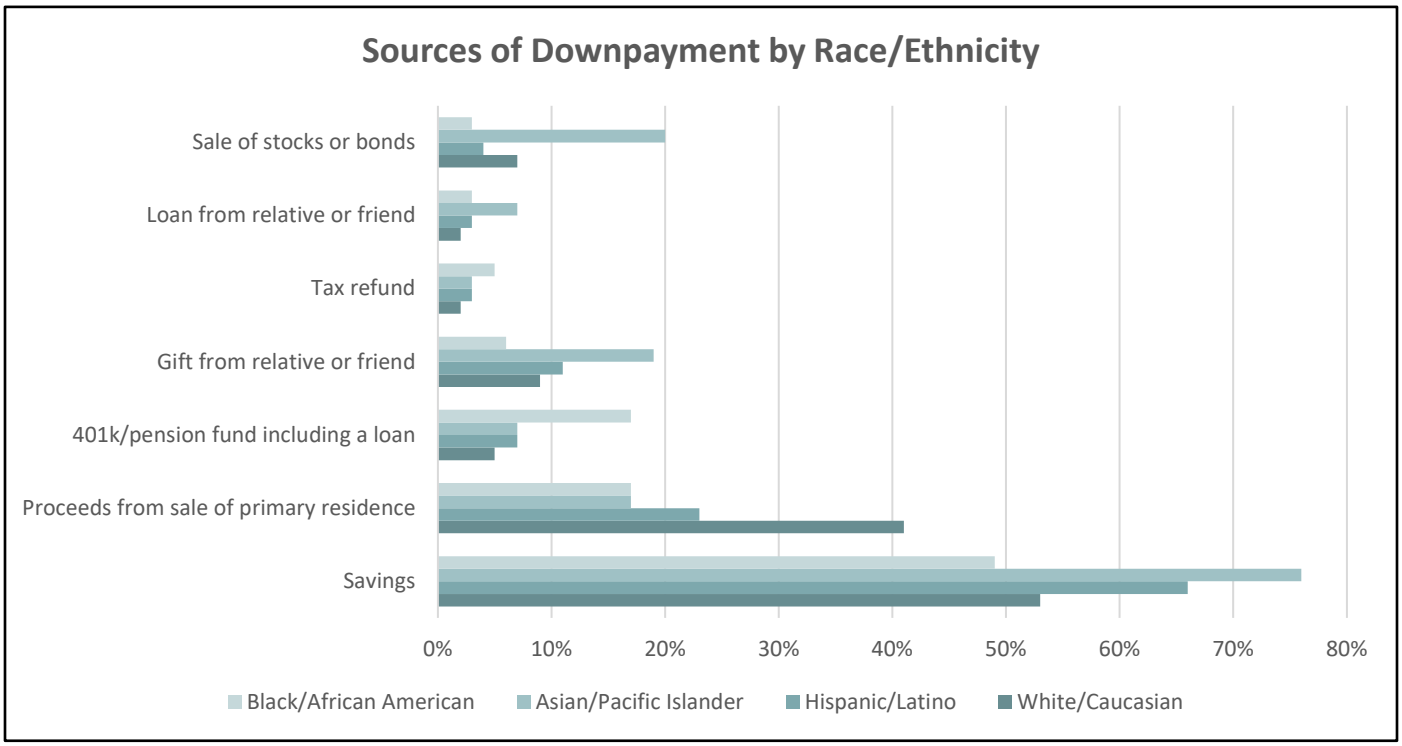
High home prices in Colorado result in no Black or Hispanic renter households with incomes at or below 80 percent of AMI able to afford homeownership. FHLBank district-wide, more than 5,700 Black and Hispanic renter households with incomes at or below 80 percent of AMI could afford homeownership. AHP and TurnKey funds could assist these households. Nearly 34,000 income-ready Black and Hispanic renter households with incomes in excess of 80 percent of AMI could be assisted with HOPE.

Income-Ready Black and Hispanic Renter Households, by State (September 2022)							
	Income as a Percent of Area Median Income						
State	≤ 30	> 30 to ≤ 50	> 50 to ≤ 80	> 80 to ≤100	> 100 to ≤120	> 120	Total
Colorado	0	0	0	30	70	6,478	6,578
Kansas	0	0	1,872	586	907	5,662	9,027
Nebraska	0	0	871	851	1,305	3,456	6,484
Oklahoma	0	178	2,831	1,771	2,708	10,064	17,552
FHLBank district	0	178	5,574	3,238	4,990	25,660	39,641
Source: "How Much Can Downpayment Assistance Close Homeownership Gaps for Black and Hispanic Households?", Joint Center for Housing Studies, Harvard University, March 2023							

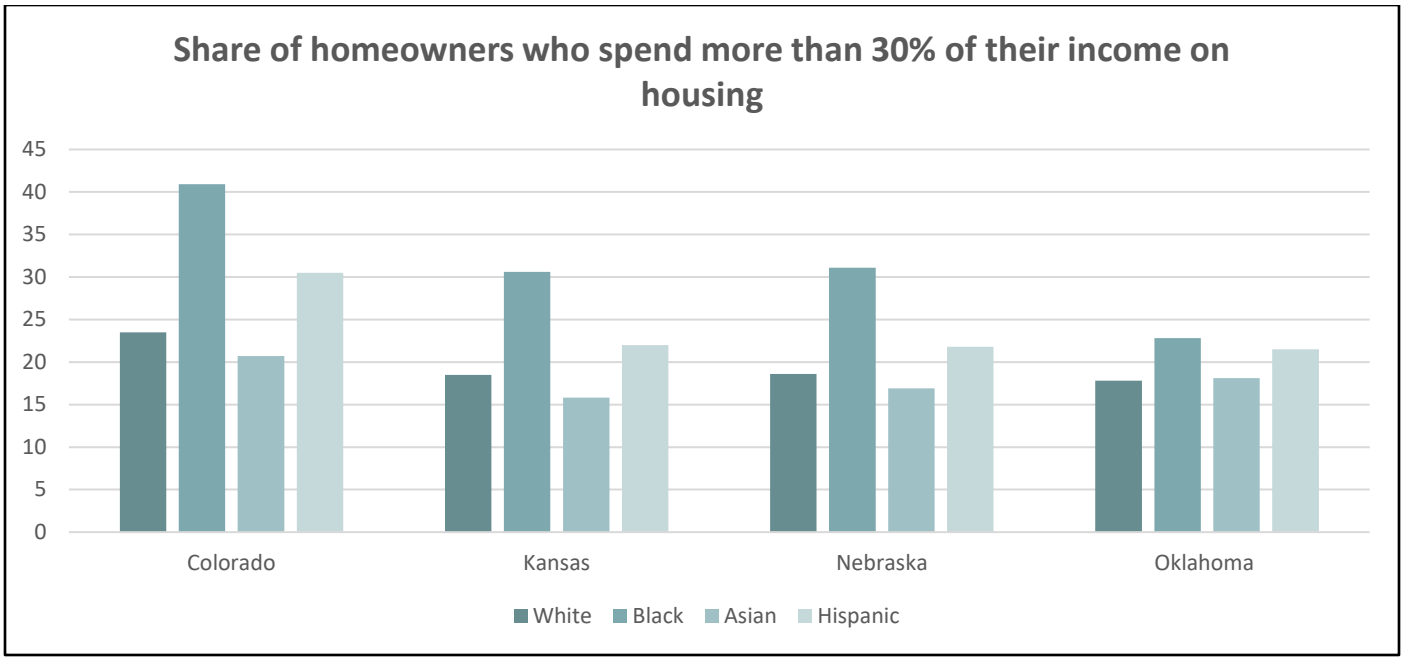
In Colorado, 42 percent (42%) of Black households were homeowners, in contrast with only 32 percent (32%) in Nebraska. Similarly in Kansas, just 39% of Black households were homeowners in 2022 as compared to 71 percent (71%) of White households. The Oklahoma homeownership rates for Hispanic, Black and Asian households were 53 percent (53%), 38 percent (38%) and 59 percent (59%) respectively, as opposed to 70 percent (70%) homeownership rates of White households.

HOMEOWNERSHIP RATES BY RACE in 2022				
	Asian	Black	Hispanic	White
Colorado	65%	42%	57%	70%
Kansas	63%	39%	58%	71%
Nebraska	55%	32%	51	70%
Oklahoma	59%	38%	53%	70%
National	63%	44%	51%	72%
Source: NARS calculations of The Census Bureau's American Community Survey (**ACS**) Public Use Microdata Sample (**PUMS**)				

The upfront cost of affording a home can be a challenge and Black homebuyers are three times more likely than White homebuyers to use a 401k or pension fund for a downpayment. White homebuyers average use of proceeds from the sale of a primary residence is double that of Black/African American, Asian/Pacific Islander, or Hispanic/Latino homebuyers.



Source: National Association of Realtors, 2023 Profile of Home Buyers and Sellers



Source: National Association of Realtors, NAR Calculations of 2022 ACS PUMS data

Housing needs for Federally recognized Native American Tribes are estimated by HUD when determining Indian Housing Block Grant (IHBG) program allocations. Funds appropriated by Congress for the IHBG are made available to eligible grant recipients through a formula. The formula has four components; Need, Formula Current Assisted Stock, 1996 Minimum, and Undisbursed IHBG funds factor. The Need component considers population, income, and housing conditions. The Need factors are summarized in the following table for the Federally Recognized Tribes in Colorado, Kansas, Nebraska, and Oklahoma. Overcrowded households have more than one person per room, or have plumbing or kitchen deficiencies in their housing unit. Severe cost burdened households have housing expenses that exceed 50 percent (50%) of household income. The housing shortage is estimated as the number of households with less than 80 percent (80%) of median family income.

State	Federally Recognized Tribe	Overcrowded Households	Severe Cost Burdened Households	Housing Shortage
CO	Southern Ute Indian Tribe of the Southern Ute Reservation	15	105	324
CO	Ute Mountain Ute Tribe	19	55	429
KS	Iowa Tribe of Kansas and Nebraska	4	10	175
KS	Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas	20	34	95
KS	Prairie Band Potawatomi Nation	40	20	133
KS	Sac & Fox Nation of Missouri in Kansas and Nebraska	-	4	-
NE	Omaha Tribe of Nebraska	170	70	197
NE	Ponca Tribe of Nebraska	259	574	1,792
NE	Santee Sioux Nation, Nebraska	40	15	29
NE	Winnebago Tribe of Nebraska	70	40	120
OK	Absentee-Shawnee Tribe	173	257	1,263
OK	Alabama-Quassarte Tribal Town	14	30	141
OK	Apache Tribe of Oklahoma	41	85	346

State	Federally Recognized Tribe	Overcrowded Households	Severe Cost Burdened Households	Housing Shortage
OK	Caddo Nation of Oklahoma	68	140	550
OK	Cherokee Nation	2,403	4,494	21,227
OK	Cheyenne and Arapaho Tribes, Oklahoma	292	435	2,745
OK	The Chickasaw Nation	716	1,312	6,489
OK	The Choctaw Nation of Oklahoma	1,123	2,129	10,081
OK	Citizen Potawatomi Nation, Oklahoma	341	633	2,935
OK	Comanche Nation, Oklahoma	211	435	1,623
OK	Delaware Nation, Oklahoma	8	17	60
OK	Delaware Tribe of Indians	-	-	-
OK	Eastern Shawnee Tribe of Oklahoma	4	8	36
OK	Fort Sill Apache Tribe of Oklahoma	8	17	64
OK	Iowa Tribe of Oklahoma	8	8	108
OK	Kaw Nation, Oklahoma	62	65	306
OK	Kialegee Tribal Town	8	19	86
OK	Kickapoo Tribe of Oklahoma	54	109	506
OK	Kiowa Indian Tribe of Oklahoma	150	311	1,247
OK	Miami Tribe of Oklahoma	7	19	86
OK	Modoc Nation	4	4	-
OK	The Muscogee (Creek) Nation	1,240	2,980	13,351
OK	The Osage Nation	190	330	2,185
OK	Otoe-Missouria Tribe of Indians, Oklahoma	15	4	25
OK	Ottawa Tyribe of Oklahoma	30	95	350
OK	Pawnee Nation of Oklahoma	65	90	495
OK	Peoria Tribe of Indians, Oklahoma	36	89	290
OK	Ponca Tribe of Indians of Oklahoma	108	113	519
OK	Quapaw Nation	30	60	225
OK	Sac & Fox Nation, Oklahoma	60	240	1,018
OK	The Seminole Nation of Oklahoma	160	200	780
OK	Seneca-Cayuga Nation	22	27	223
OK	Shawnee Tribe	-	-	-
OK	Thlopthlocco Tribal Town	28	59	278
OK	Tonkawa Tribe of Indians of Oklahoma	19	30	53
OK	United Keetoowah Band of Cherokee Indians in Oklahoma	174	325	1,608
OK	Wichita and Affiliated Tribes (Wichita, Keechi, Waco & Tawakonie), Oklahoma	24	49	159
OK	Wyandotte Nation	109	114	595
	Totals	**8,642**	**16,259**	**75,347**

The 48 Federally recognized Native American Tribes in FHLBank's district have nearly 9,000 housing units with overcrowding or a deficiency issue, more than 16,000 households that are severely cost burdened, and have more than 75,000 low-income households needing housing. FHLBank responded to this need by launching the NAHI grants program.

NAHI is FHLBank's voluntary grant program, first offered in 2023, that provides Native American Tribes (Tribes) and tribally designated housing entities (TDHE) with access to grant funds intended to build their communities in support of housing for tribal members residing in FHLBank's district. The NAHI supports Tribal organizations working at the grassroots level, which are in the best position to identify Tribal needs.

The majority of NAHI applications indicated the need for rehabilitation funds for both owner-occupied and rental housing. Several applications sought additional funding for down payment assistance programs that serve Tribal members. Tribes are emphasizing homeownership to build household wealth for Tribal members and close the wealth gap. Other uses include storm shelters and other infrastructure, strategic planning for housing, addressing homelessness, and foreclosure prevention. The NAHI applications are summarized in the following table.

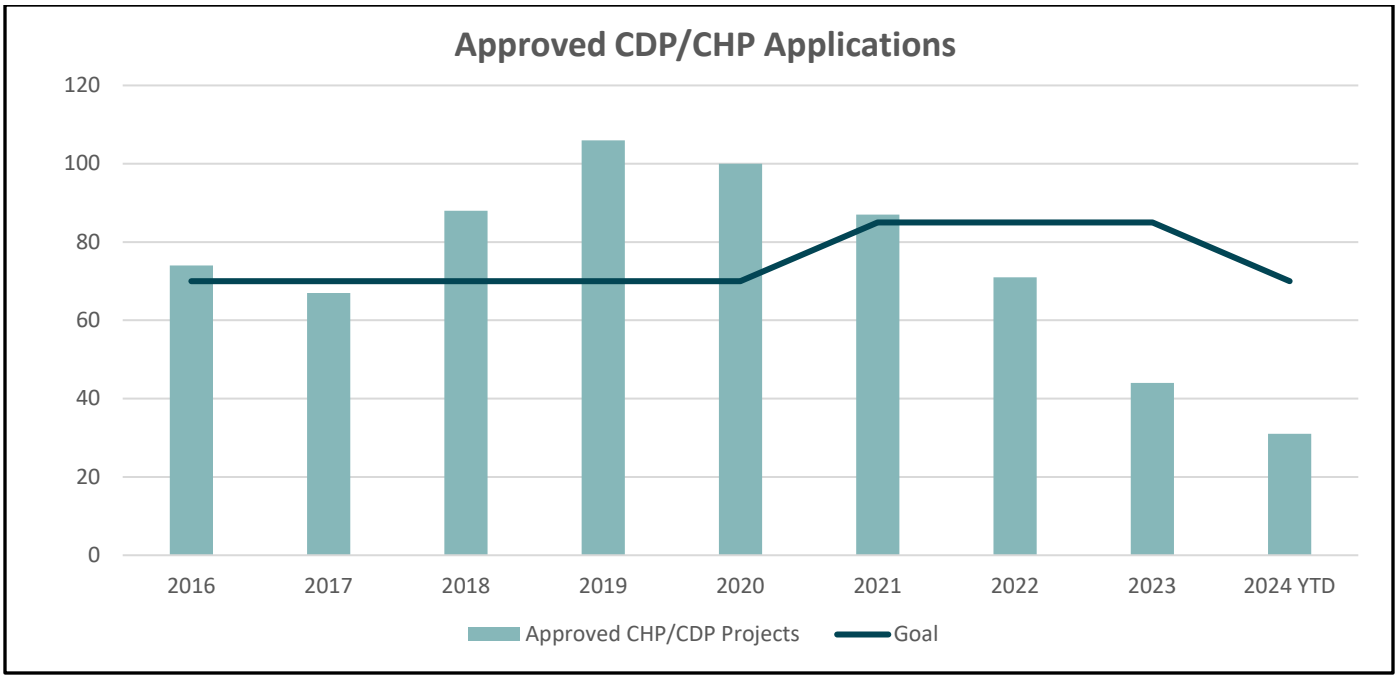
2024 NAHI Applications Summary		
Applicant (* indicates 2023 Recipient)	**Location**	**Project Scope**
Absentee Shawnee Housing Authority*	Shawnee, OK	Funds will be used to acquire or construct two homes for the Low Rent Housing program and serve two applicants on the waiting list.
Bah-Kho-Je Housing Authority	Perkins, OK	Grants of up to $6,000 will be provided for home repairs and rehabilitation to improve the safety, health and stability for qualified homeowners. Homeowners with urgent or hazardous repairs will be prioritized.
Citizen Potawatomi Nation	Shawnee, OK	Grant funds will rehabilitate 20 low-income elder housing unit bathrooms to be accessible and safe. Aging water heaters and water softener systems will be replaced to increase efficiency and reduce utility costs for each unit.
Comanche Nation Housing Authority*	Lawton, OK	Funds will support the current down payment assistance program providing 10% of a home's purchase price, up to $50,000, in down payment assistance through a forgivable loan after a five-year retention period.
Eastern Shawnee Tribal Housing Authority	Wyandotte, OK	The grant will provide down payment assistance ($100,000), repairs to owner-occupied homes (100,000,) and administrative restructuring of the Housing Authority ($300,000).
Housing Authority of the Cherokee Nation*	Tahlequah, OK	Two 3-bedroom 2-bath homes will be constructed with the funding as part of a larger scale neighborhood development project. The homes will be 30-year lease to own units with a fixed monthly payment of $600/month.
Housing Authority of the Cheyenne and Arapaho Tribes	Clinton, OK	A downpayment assistance program will assist 15 non elder Tribal members and 3 Tribal elders with the purchase of a home. A portion of funding ($50,000) will procure a professional consultant to assist in developing a strategic plan.
Housing Authority of the Choctaw Nation of Oklahoma	Hugo, OK	The proposed project includes serving 25 Tribal members with a forgivable loan of $5,000.00 to support the purchase of a new home. This project would also provide 25 homeowners with a voucher in the amount of $15,000.00 to complete necessary documented repairs to their homes.
Housing Authority of the Seminole Nation of Oklahoma*	Wewoka, OK	Funds are requested for the on-going services and expenses for the new youth homeless shelter being built with the 2023 NAHI award. The costs include full time and part time staff, supplies, and equipment.
Iowa Tribe Housing Authority*	White Cloud, KS	The funding will be allocated primarily towards the acquisition of three modular homes with three bedrooms, two bathrooms, and a one-car garage, each placed on a basement foundation on ¾-acre lots. The project budget will also include a 16% contingency fund and administrative costs to ensure smooth execution and management.
Kickapoo Housing Authority	Horton, KS	Qualified homeowners will receive funding for repair assistance. Many of the homes in need of repair are over 50 years old with the same roof or flooring and outdated furnaces. Estimate assisting 20 homeowners.
Muscogee Creek Nation Department of Housing	Okmulgee, OK	The grant funds will be used for a multi-year project. The first year will include land acquisition and infrastructure development (roads, utilities, drainage) for a new housing community. Construction of new homes will begin at the end of year one.

Northern Ponca Housing Authority	Norfolk, NE	Funding will provide up to $25,000 for down payment assistance to 10 eligible homebuyers. In addition, 25 homeowners will be assisted with up to $10,000 for home repair or rehabilitation.
Prairie Band Potawatomi Nation	Mayetta, KS	To preserve existing housing, funding is requested for a drainage repair project. The installation of underground gutter drainpipes and regrading of specific areas in the housing development will divert water away from low lying properties that currently flood.
Sac and Fox Housing Authority	Reserve, KS	The grant will fund necessary housing repairs, extermination costs, and improvements to properties to prevent weather related damage. In addition, two storm shelters will be constructed to provide safe shelter for over 100 individuals.
Southern Ute Indian Tribe	Ignacio, CO	Maintenance and repair needs to existing housing would be addressed with grant funding. Examples include window replacements and domestic water supply improvements. At least 20 homes would be impacted.
The Chickasaw Nation	Ada, OK	Funding will support the construction of new homeownership units for individuals currently on a waiting list. Applicants are often on the wait list for five to seven years.
Tonkawa Tribe of Indians of Oklahoma*	Tonkawa, OK	Repairs and rehabilitation of existing homes will be completed to improve the safety, health, and stability for qualified homeowners. Applicants with the greatest need will be prioritized.
Ute Mountain Ute Tribal Council	Towaoc, CO	The grant funding would be allocated to housing rehabilitation of 4-6 homes over the next two years. Each home rehabilitated takes approximately 4 months and includes moving the family to temporary housing during construction.

Quantitative Targeted Community Lending Performance Goal Attainment

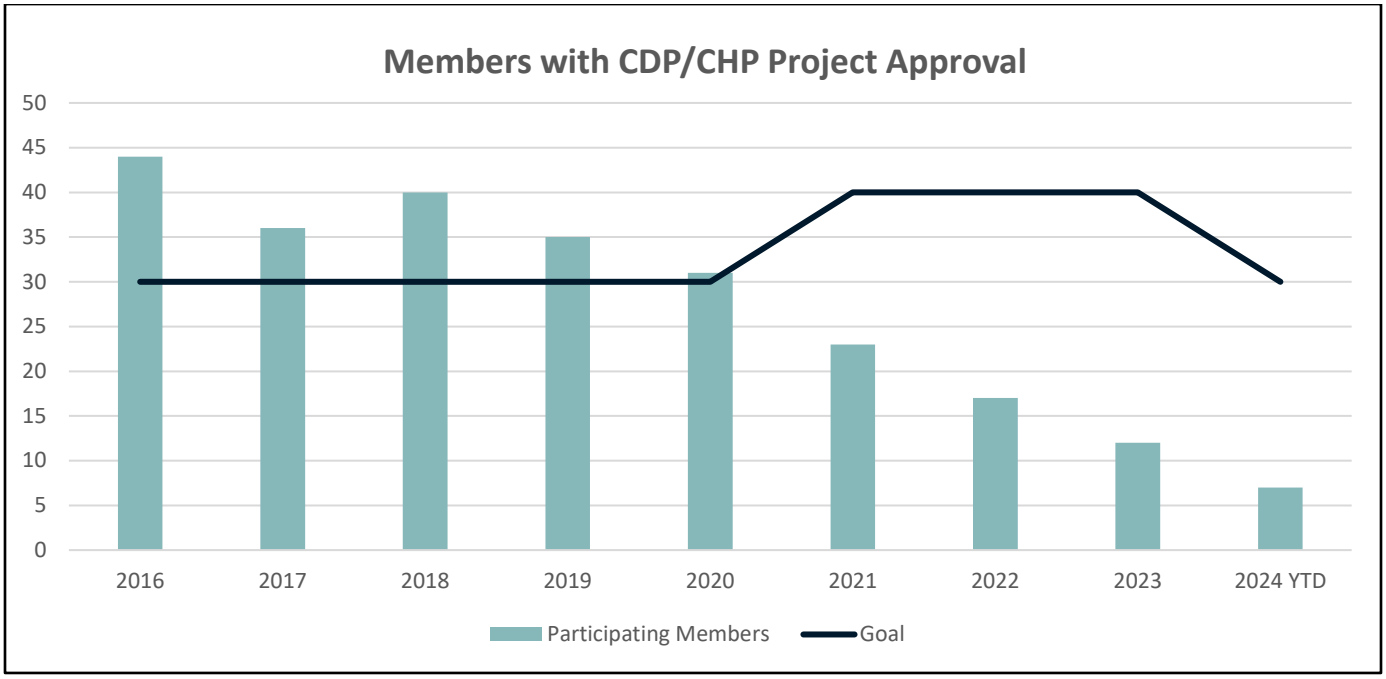
One of FHLBank's credit products utilized by members to fund economic development projects are discounted advances through the CHP and CDP. The charts that follow are used to report attainment of the Quantitative Targeted Community Lending Performance Goals included in the 2024 Plan.

Approved CDP/CHP applications through September 30, 2024, are not tracking to meet the goal of 70 approved projects established for 2024. The number of approved applications trended downward from 2019 due to member liquidity and reduced demand for match-funding loans. Members participating in the CHP and CDP continue to prefer match-funding individual projects to bundling projects in loan pools. The most common project since 2019 consists of members assisting their customers to consolidate and refinance commercial or agricultural debt to lower debt service payments and shorten the term to maturity.

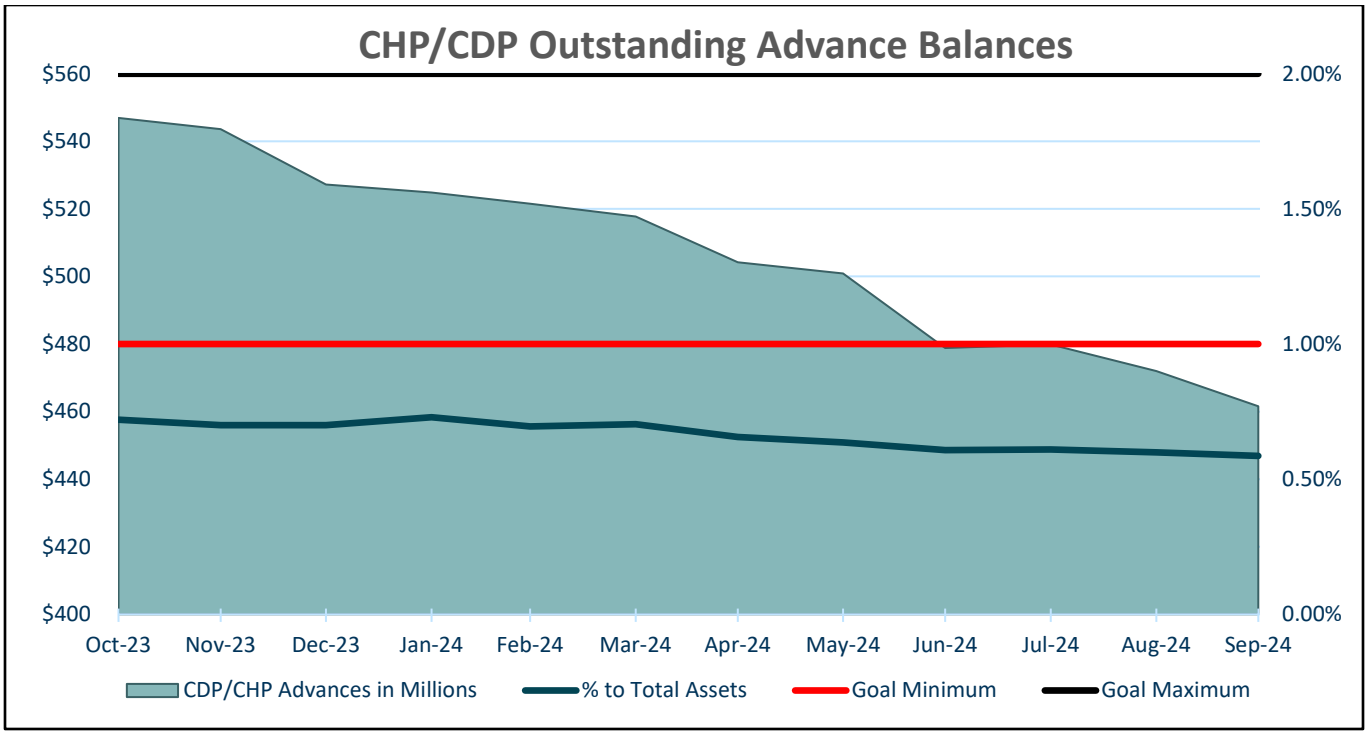


The number of FHLBank members participating in the CDP/CHP through September 30, 2024, is not tracking to meet the established goal of 30 members in 2024. The goal has not been met since 2020. As noted above, past participants are utilizing the program to lock in low interest rates for projects in the communities they serve. However, fewer members are participating in the program.

HCD suggests conducting outreach to members to highlight the benefits of utilizing the CHP/CDP.

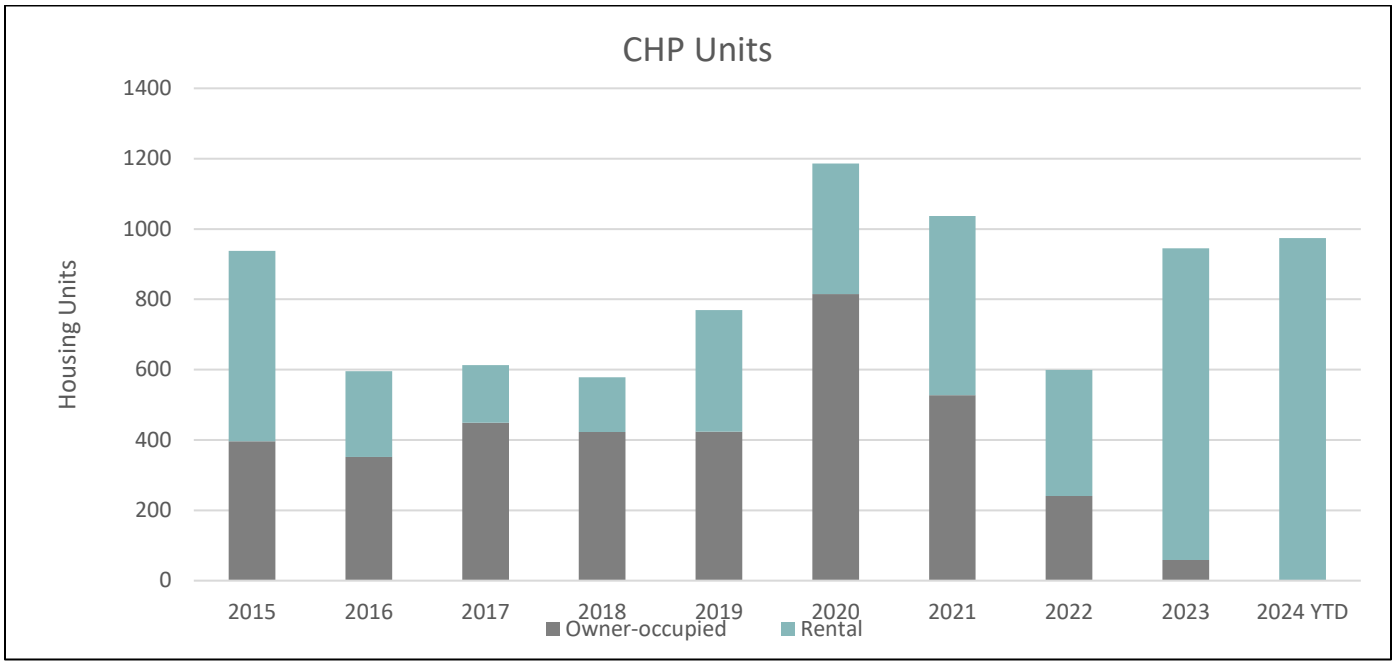


As FHLBank assets remain higher than in the past with participation in CHP/CDP advances continuing to decrease, the percentage of CHP/CDP advances remains below the goal minimum of 1.0 percent.

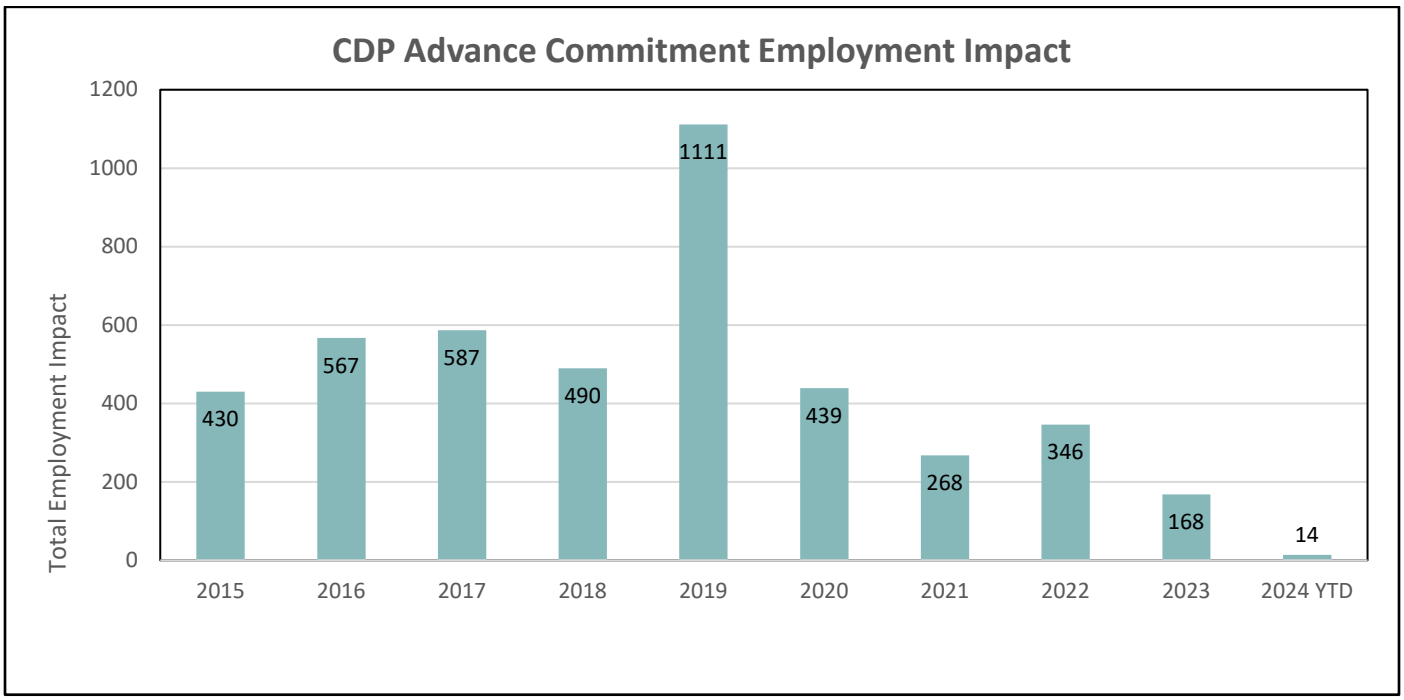


FHLBank Member Use of the CDP and CHP

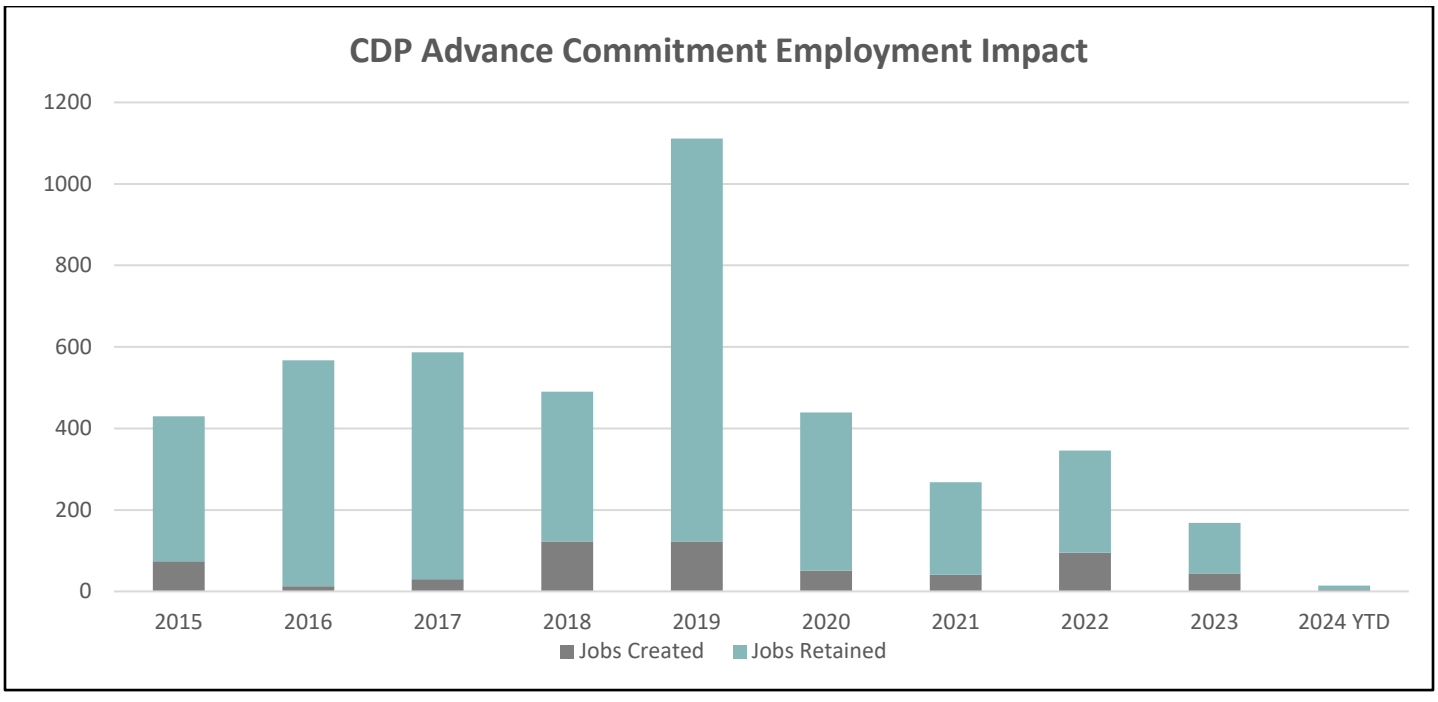
Members continue to positively impact the communities they serve through the use of CDP and CHP funding. Typically, members elect to match-fund rental projects using CHP advances. Owner-occupied projects are primarily loan pools where the member funds the expected duration of the pool. Owner-occupied loans are rarely match-funded, as the member cannot pass the risk of advance prepayment penalties on to the homeowner. CHP applications for owner-occupied loan pools decreased significantly year to date in 2024. However, members are electing to match fund more loans for rental housing, creating an increase in the number of rental units approved. Data for 2024 year-to-date is through September 30, 2024.



Members also benefit their communities by funding loans that result in the creation or retention of jobs. The employment impact in 2019 was boosted by a member funding pools of small business loans with significant numbers of employees. The drop in employment reported by members for CDP projects beginning in 2020 is related to the lower level of member utilization of this advance product and the continuing effects of the pandemic. Data for 2024 year-to-date is through September 30, 2024.



The employment impact is primarily through the retention of existing jobs by projects funded with the CDP. The number of jobs created or retained by CDP projects, as reported by members, continues to decrease as fewer projects are submitted by members for approval. Data for 2024 year to date is through September 30, 2024.



AHP Scoring Criteria

Scoring for applications under the AHP General Fund in 2025 consists of required and optional categories. A total of 100 points shall be allocated to the scoring criteria selected by FHLBank. The required scoring criteria and minimum point allocations are: Donated Property (5 points), Sponsorship by Not-for-Profit or Governmental Entity (5 points), and Income Targeting (20 points).

FHLBank management has proposed scoring criteria under the Home Purchase by Low- or Moderate-income Households, Underserved Communities and Populations, Creating Economic Opportunity, Community Stability, and FHLBank Priorities categories to address identified housing needs as shown in the following chart.

2025 AHP Non-required Scoring Criteria and Related Housing Needs		
Scoring Category and Scoring Selections	**Points**	**Housing Need Addressed**
Home Purchase by Low- or Moderate-Income Households	5 points (fixed)	Down payment and closing cost assistance to address homeownership affordability
Underserved Communities and Populations	15 points (variable) each selection limited to 5 points	
Homeless Households		Homelessness
Special Needs		AHAC continues to stress the need for more senior housing. Special needs definition expanded to include persons recovering from mental/emotional abuse.
Other – Native American Housing		AHAC has discussed Native American housing needs, especially for smaller Tribes with limited resources. NAHI Grants Program applications indicate a need for owner-occupied and rental housing rehabilitation.
Other – Large Units		AHAC has expressed a need for additional large unit development
Other – Rural Households		AHAC identified rural development as an FHLBank district need
Other – Veteran or Active Duty Households		Sponsors have been asking for consideration for veteran and active duty households
Rental Housing for Extremely Low-income Households		Households with the lowest incomes and the greatest cost burden
Creating Economic Opportunity	10 points (variable) each selection limited to 5 points	
Homebuyer Education/ Counseling		Cost burden and homeownership affordability
Homeowner Maintenance Education/Counseling		Cost burden and homeownership affordability
Tenant Counseling		Cost burden and eviction prevention
Financial Education		Foreclosure and eviction prevention
Education or Training Programs		
Sweat Equity		Homeownership affordability
Mental or Behavioral Health Services		Encourage development of service-enriched housing
Adult or Child Care		Sponsors are offering these services with housing
Case Management or Residential Services		Sponsors are offering these services with housing

2025 AHP Non-required Scoring Criteria and Related Housing Needs		
Scoring Category and Scoring Selections	**Points**	**Housing Need Addressed**
Community Stability	10 points (variable) each selection is limited to 5 points	
Preservation of Affordable Housing		Owner-occupied rehabilitation
Adaptive Reuse		
FHLBank Priorities	30 points (variable) each selection is limited to 5 points	
AHP Subsidy Per Unit		Maximizing the number of units created
Member Financial Participation		
Federally Declared Disaster Area		Development of climate resilient and sustainable housing to mitigate the adverse impacts resulting from climate change
Using sustainable materials		
Solar options		
Energy efficient appliances		
Urban agriculture/food production		
Storm water collection		
Using FSC-certified wood		
Weatherization repairs		
Infill development		
Built to LEED standards		
Other climate resiliency and sustainability activity as approved by FHLBank		
Residential Economic Diversity		
Overnight Homeless Shelters		Homelessness
In District		
Qualified Census Tract or Difficult Development Area		Encourage development of affordable housing in areas with lower incomes and greater poverty
District Distribution		Geographic Dispersion
	70 points	
Refer to 2025 AHP Implementation Plan Exhibit C: Scoring Criteria and Exhibit E: Definitions for details.		

EXHIBIT B
FHLBank District Native American and Tribal Communities

Federally Recognized Tribes

Colorado – 2

- Southern Ute Indian Tribe of the Southern Ute Reservation, Colorado
- Ute Mountain Ute Tribe, Colorado

Kansas – 4

- Iowa Tribe of Kansas and Nebraska
- Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas
- Prairie Band Potawatomi Nation
- Sac & Fox Nation of Missouri in Kansas and Nebraska

Nebraska – 4

- Omaha Tribe of Nebraska
- Ponca Tribe of Nebraska
- Santee Sioux Nation, Nebraska
- Winnebago Tribe of Nebraska

Oklahoma – 38

- Absentee-Shawnee Tribe of Indians of Oklahoma
- Alabama-Quassarte Tribal Town
- Apache Tribe of Oklahoma
- Caddo Nation of Oklahoma
- Cherokee Nation
- Cheyenne and Arapaho Tribes, Oklahoma
- The Chickasaw Nation
- The Choctaw Nation of Oklahoma
- Citizen Potawatomi Nation, Oklahoma
- Comanche Nation, Oklahoma
- Delaware Nation, Oklahoma
- Delaware Tribe of Indians
- Eastern Shawnee Tribe of Oklahoma
- Fort Sill Apache Tribe of Oklahoma
- Iowa Tribe of Oklahoma
- Kaw Nation, Oklahoma
- Kialegee Tribal Town
- Kickapoo Tribe of Oklahoma
- Kiowa Indian Tribe of Oklahoma
- Wichita and Affiliated Tribes (Wichita, Keechi, Waco & Tawakonie), Oklahoma
- Miami Tribe of Oklahoma
- Modoc Nation
- The Muscogee (Creek) Nation
- The Osage Nation
- Otoe-Missouria Tribe of Indians, Oklahoma
- Ottawa Tribe of Oklahoma
- Pawnee Nation of Oklahoma
- Peoria Tribe of Indians of Oklahoma
- Ponca Tribe of Indians of Oklahoma
- Quapaw Nation
- Sac & Fox Nation, Oklahoma
- The Seminole Nation of Oklahoma
- Seneca-Cayuga Nation
- Shawnee Tribe
- Thlopthlocco Tribal Town
- Tonkawa Tribe of Indians of Oklahoma
- United Keetoowah Band of Cherokee Indians in Oklahoma
- Wyandotte Nation

Tribally Designated Housing Entities (TDHE)

Colorado - 1

- Southern Ute Indian Housing Authority

Kansas - 4

- Iowa Tribe of Kansas and Nebraska Housing Authority
- Kickapoo Tribe of Kansas Housing Authority
- Prairie Band of Potawatomi Nation
- Sac and Fox Nation Housing Authority of Missouri

Nebraska - 4

- Omaha Tribal Housing Authority
- Northern Ponca Housing Authority
- Santee Sioux Tribal Housing Authority
- Winnebago Housing and Development Commission

Oklahoma - 17

- Absentee Shawnee Housing Authority
- Apache Tribe of OK Housing Authority
- Choctaw Nation Housing Authority
- Comanche Nation Housing Authority
- Eastern Shawnee Tribal Housing Authority
- Fort Sill Apache Tribe Housing Authority
- BAH-KHO-JE Housing Authority
- Kaw Nation Housing Authority
- Kickapoo Tribe of Oklahoma Housing Authority
- Kiowa Tribe Housing Authority
- Modoc Tribe Housing Authority
- Peoria Tribe of Indians HA of Oklahoma
- Pawnee Nation of Oklahoma Housing Authority
- Sac and Fox Nation Housing Authority
- Seminole Nation Housing Authority
- Wichita Tribe Housing Authority
- Cheyenne-Arapaho Housing Authority
- Housing Authority of the Cherokee Nation
- Muscogee (Creek) Nation Department of Housing

State Recognized Tribes

Colorado, Kansas, Nebraska, and Oklahoma have not recognized additional Tribes.

Native Community Development Financial Institutions (CDFI)

Colorado - 3

- Oweesta Corporation
- Native American Bank, NA
- Native American Bancorporation, Co.

Kansas - 0

Nebraska - 2

- Ho-Chunk Community Capital Inc
- Native360 Loan Fund Inc

Oklahoma - 8

- Bank of Cherokee County
- Chickasaw Bank Holding Company
- Chickasaw Community Bank
- Choctaw Home Finance Corporation
- Citizen Potawatomi Community Development Corporation
- The Cherokee Nation DBA Cherokee Nation Economic Development Trust Authority, Inc

- Mvskoke Loan Fund
- Osage Financial Resources, Inc.

State Native American Contacts

State	State Legislative Committee(s) Dedicated to Indian Affairs	State Executive Branch Indian Affairs Commissions or Contacts
Colorado		**Colorado Commission of Indian Affairs** Office of Lieutenant Governor 130 State Capitol Denver, CO 80203
Kansas	Joint Committee on State-Tribal Relations	**Kansas Native American Affairs Office** 900 SW Jackson Street, Room 100 Topeka, KS 66612-1246 knaa@ks.gov
Nebraska	State-Tribal Relations Committee	**Nebraska Commission on Indian Affairs** State Capitol Building, 6th Floor, East PO Box 94981 Lincoln, NE 68509-4981
Oklahoma	Joint Committee on State-Tribal Relations	**Oklahoma Native American Liaison** Office of Governor 2300 N. Lincoln Blvd., Suite 212 Oklahoma City, OK 73105

EXHIBIT C
Community Housing Program (CHP) Advances

The CHP is a special advance program authorized by 12 C.F.R. Part 1292 (the CICA regulations). The CHP provides wholesale loans (advances) priced below FHLBank's regular advance rates to help members finance owner-occupied and rental housing in their communities.

PROGRAM OBJECTIVE
To finance the construction, purchase, rehabilitation, or refinance of owner-occupied and rental housing occupied by or affordable to households earning up to 115 percent of AMI.

ELIGIBLE USES
- Financing construction, rehabilitation, or purchase, or to refinancing existing loans;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CHP-eligible housing projects;
- Making loans to entities that, in turn, make loans for CHP-eligible housing projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CHP;
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CHP; and
- Purchasing Low-Income Housing Tax Credits.

TERMS AND CONDITIONS

CHP Advance Products
- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

Required Documents
A complete CHP application, including identified loan(s), must be submitted to FHLBank's HCD department for confirmation of eligibility. The HCD department will review the member's application prior to approval to ensure the following: identified loan(s) match project type, are consistent with program requirements, and do not include loan(s) to individuals or entities listed on FHLBank's Suspended Counterparty List. Projects involving refinancing of loan(s) previously funded with the CHP may not be combined with new loan(s) or projects. The application review is not a competitive process or subject to limits on the amount of funding available. An application may be obtained from FHLBank's website at http://www.fhlbtopeka.com.

Members are not committed to taking the full amount of the approved CHP application; however, any unused CHP application amount shall expire at the earlier of three months following the date the CHP-funded loan(s) was originated or three months following application approval.

In the event that a member must provide either a substitution or additional loan(s) to ensure project compliance, the substitution or additional loan(s) will be accepted only after submission to and approval by the HCD department.

Limitations
Members must comply with FHLBank's credit procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CHP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CHP advances for their own benefit. The minimum amount of a CHP advance is $10,000. Members will not be approved for CHP advance funding for any loan secured by property to be used for any marijuana-related business.

FHLBank shall not allow a member that is subject to a restriction by the FHFA of access to long-term advances (greater than one year) to participate in the CHP. This restriction does not apply to CHP applications or funds approved before the date the restriction was imposed.

Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's AHP, HSP, CHP, and/or CDP.

Advance Draws on Approved CHP Application
Members may request draws on an approved CHP application by contacting the Lending department. Multiple CHP advances may be drawn on a single project for up to the approved CHP application amount. Members are not committed to taking the full approved CHP application amount.

Qualifying Criteria
Single- and multi-family housing projects must meet one of the following CHP income qualifications:

- Owner-occupied units that are or shall be occupied by households with incomes at or below 115 percent of the AMI for a one to four person household utilizing USDA Rural Development income limits; or
- At least 51 percent of rental units that are or shall be occupied by households with incomes at or below 115 percent of the AMI for a four-person household utilizing HUD income limits; or
- At least 51 percent of rental units must have rents affordable to households with incomes at or below 115 percent of the AMI for a four-person household utilizing HUD income limits. Rent is affordable if it is less than 30 percent of 115 percent of the AMI. For example, a project located in a county for which 115 percent of the AMI equals $32,000; the maximum CHP-qualified monthly rent is $800 ($32,000 * 30% / 12 = $800).

Mixed-use projects involving a combination of housing and economic development activities are qualified based on the economic development component of the project. See Exhibit D for details.

Rate
CHP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CHP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CHP advance rate pricing must be applied on the date the advance is issued. CHP pricing cannot be approved for advances obtained by the member prior to approval of the CHP application. Members may establish the customer's loan rate above the CHP rate based on market rates or commitments to their customer.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the program, the interest rates on the outstanding CHP advances may be changed, as applicable, to (1) the regular fixed advance rate in effect at the time of the original funding; or (2) a rate based on the index, as adjusted based on current interest rates, and the regular pricing spread in effect at the time of the original funding. Members will be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

Principal and Interest
Normal principal and interest collection applies. For details, refer to the specific advance program.

Term
CHP advances are available in maturities from four months to 30 years.

Prepayment Option
Normal prepayment fees will apply to CHP advances. For details, refer to the specific advance program.

Collateral
CHP advances must be fully collateralized at the date of issuance and at all times thereafter. Refer to the Collateral Guidelines section of the Member Products and Services Guide for more information.

Documentation
FHLBank requires members to certify that each project funded under the CHP meets the respective targeting requirements of the CHP. Such certification shall include a description of how the project meets the requirements, and where appropriate, a statistical summary or list of incomes of the borrowers or rents for the project. For CHP-funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CHP, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CHP.

Availability
Members should allow 48 hours for processing a complete CHP application. Provided an approved CHP application is on file, CHP advances may be requested until 4 p.m. CT.

EXHIBIT D
Community Development Program (CDP) Advances

The CDP is a special advance program authorized by the CICA regulations. The CDP is designed to increase members' involvement in their communities through the financing of commercial loans, small business and other community and economic development loans. The CDP provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance qualifying commercial loans, farm loans and community and economic development initiatives in the areas they serve.

PROGRAM OBJECTIVE
To finance commercial, agricultural, economic development, and community development initiatives.

ELIGIBLE USES
- Financing construction, rehabilitation, or purchase, or refinancing existing loans;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CDP -eligible projects;
- Making loans to entities that, in turn, make loans for CDP-eligible projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CDP; and
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CDP.

TERMS AND CONDITIONS

CDP Advance Products
- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

Required Documents
A complete CDP application, including identified loan(s), must be submitted to FHLBank's HCD department for confirmation of eligibility. The HCD department will review the member's application prior to approval to ensure the following: identified loan(s) match project type, are consistent with program requirements, and do not include loan(s) to individuals or entities listed on FHLBank's Suspended Counterparty List. Projects involving refinancing of loan(s) previously funded with CDP may not be combined with new loan(s) or projects. The application review is not a competitive process or subject to limits on the amount of funding available. An application may be obtained from FHLBank's website at http://www.fhlbtopeka.com.

Members are not committed to taking the full amount of the approved CHP application; however, any unused CHP application amount shall expire at the earlier of three months following the date the CHP-funded loan(s) was originated or three months following application approval.

In the event that a member must provide either a substitution or additional loan(s) to ensure project compliance, the substitution or additional loan(s) will be accepted only after submission to and approval by the HCD department.

Limitations

Members must comply with FHLBank's lending procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CDP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CDP advances for their own benefit. The minimum amount of a CDP advance is $10,000. Members will not be approved for CDP advance funding for any loan(s) secured by property to be used for any marijuana-related business.

FHLBank shall not allow a member that is subject to a restriction by the FHFA of access to long-term advances (greater than one year) to participate in the CDP. This restriction does not apply to CDP applications or funds approved before the date the restriction was imposed.

Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's AHP, HSP, CHP, and/or CDP.

Advance Draws on Approved CDP Application

Members may request draws on an approved CDP project by contacting the Lending department. Multiple CDP advances may be drawn up to the total amount of approved CDP project amount. Members are not committed to taking the full approved CDP application amount.

CDP Qualifying Criteria

CDP-qualified financing includes loans to small businesses, small farms, small agribusiness, public or private utilities, schools, medical and health facilities, churches, day care centers or for other community and economic development purposes that meet one of the following criteria:

1) Loans to firms that meet the U.S. Small Business Administration's (SBA) definition of a qualified small business concern based on the Table of Small Business Size Standards (available at http://www.sba.gov). To qualify, firms cannot exceed the SBA's established general size standards as of the CDP application date. The SBA defines a small business concern as one that is independently owned and operated, is organized for profit; is not dominant in its field on a national level; has a place of business in the United States; and operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor. Depending on the industry, size standard eligibility is based on the average number of employees for the preceding twelve months or on averaged annual receipts over the past three years.

2) Financing for businesses or projects located in an **urban area**, as defined in Exhibit D, with a median income at or below 100 percent of the area median. Median income information for CDP-eligible areas can be accessed by using the address locator available on the Federal Financial Institutions Examination Council (FFIEC) Geocoding System website at https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx.
3) Financing for businesses, farms, ranches, agribusinesses, or projects located in a **rural area**, as defined in Exhibit D, with a median income at or below 115 percent of the area median. Median income information for CDP-eligible areas can be accessed by using the address locator available on the Federal Financial Institutions Examination Council (FFIEC) Geocoding System website at https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx.
4) Firms or projects located in a:
    - Federally Declared Disaster Area (Information available at: http://www.fema.gov/Disasters)
    - USDA Drought Area (Information available at: www.usda.gov)
    - Indian Area (as defined by the Native American Housing Assistance and Self-Determination Act of 1996 [25 U.S.C. 4101 et seq.], Alaskan Native Village or Native Hawaiian Home Land.)
5) Projects in **urban areas** in which at least 51 percent of the permanent employees of the project, or at least 51% of the families receiving services provided by the project, earn at or below 100 percent of the AMI.
6) Projects in **rural areas** in which at least 51 percent of the permanent employees of the project, or at least 51% of the families receiving services provided by the project, earn at or below 115 percent of the AMI.

Mixed-use projects involving a combination of housing and economic development activities are qualified based on the economic development component of the project as listed above.

Rate
CDP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CDP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CDP pricing cannot be approved for advances obtained by the member prior to approval of the CDP application. Members may establish the customer's loan rate above the CDP rate based on market rates or commitments to their customer.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the CDP, the interest rates on the outstanding CDP advances may be changed, as applicable, to (1) the regular fixed advance rate in effect at the time of the original funding; or (2) a rate based on the index, as adjusted based on current interest rates, and the regular pricing spread in effect at the time of the original funding. Members shall be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

Principal and Interest
Normal principal and interest collection applies. For details, refer to the specific advance program.

Term
CDP advances are available in maturities from four months to 30 years.

Prepayment Option
The normal prepayment fee shall apply to CDP advances. For details, refer to the specific advance program.

Collateral
CDP advances must be fully collateralized on the date of issuance and at all times thereafter. Refer to the Collateral Guidelines section of the Member Products and Services Guide for more information.

Documentation
FHLBank requires members to certify that each project funded under the CDP meets the respective targeting requirements of the CDP. Such certification shall include a description of how the project meets the requirements, and where appropriate, salaries of jobs created or retained. For CDP-funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CDP, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CDP.

Availability
Members should allow 48 hours for processing a complete CDP application. Provided an approved CDP application is on file, CDP advances may be requested until 4 p.m. CT.

EXHIBIT E
Native American Housing Initiatives Grants

Purpose Statement

FHLBank's Native American Housing Initiatives Grants assist members in promoting Native American housing in their communities. Funds must be used to facilitate owner-occupied or rental housing for Native Americans within FHLBank's district by increasing the capacity of Federally Recognized Tribes or Tribally Designated Housing Entities, leveraging existing programs, providing down payment assistance and/or closing costs to build, rehabilitate, or purchase owner-occupied or rental housing, or similar initiatives.

Threshold Requirements

- Funds are to provide funding for Native American housing initiatives, such as increasing the capacity of Federally Recognized Tribes or Tribally Designated Housing Entities, leveraging existing programs, providing down payment assistance and/or closing costs to build, rehabilitate, or purchase owner -occupied or rental housing, or similar initiatives.
- Funds are made available only through FHLBank members in partnership for Native American housing intiatives. Members submitting applications must be in good standing with FHLBank's HCD department. Applications from members restricted from participating in the AHP or CICA Programs will not be considered.
- Maximum funding of $500,000 per project annually.
- Members and project participants agree to take part in publicly highlighting their role and that of FHLBank to the project, Native American community, and region.
- Grant funds cannot be used to finance any direct activity of the member (e.g., infrastructure improvements to facilitate a new branch location) or any affiliate of a member. Members are precluded from using grant funds for their own benefit.
- Projects are limited to FHLBank's district (Colorado, Kansas, Nebraska, and Oklahoma).
- Applications of a political nature will not be accepted. Grant funds cannot be used for any lobbying activity at the local, state, or national level.
- FHLBank employees and members of their households may not receive grant funds.

Other Policies

- In the event all funds are not allocated during the initial application period, FHLBank will consider requests consistent with the program's goals on a first-come, first-served basis for the remainder of the calendar year. The maximum project funding limit remains in effect.
- FHLBank is not required to fund any request. FHLBank reserves the right to reject any requests even though funds may be available.
- Members and award recipients will be required to execute agreements agreeing to the terms of the program and use of approved funds.
- Awards will be determined based on merit and funds availability at the discretion of FHLBank.
- Grant funds are not intended to be a permanent funding source for Native American housing initiatives. Approval of grant funding does not guarantee or imply approval of future grant applications.
- Grant funds may be used in conjunction with other FHLBank products and programs, including the AHP and TurnKey.
- Funding recommendations will be presented to the President/CEO for approval.
- Funding approvals will be presented to the Mission and Governance Committee (MGC) for informational purposes. MGC will receive a summary of the Impact Reports completed by NAHI recipients.
- HCD staff is available for technical assistance with applications. Technical assistance consists of answering questions, providing examples, etc. FHLBank will not assemble or proofread applications, gather signatures or in any other way participate in the preparation of an application.
- Members and projects receiving grant funds must consult their tax advisors regarding the tax implications of receiving grant funds. FHLBank does not provide advice or consultation regarding the taxability of grant funds.

- HCD staff will provide grant-related communications to the member Contact Person listed on the application.

Selection Criteria

- FHLBank will review applications to determine which applicants best meet the objectives of the program.
- Specific selection criteria include:
    - Organizational Mission: The strength of the organization in meeting its Native American housing mission.
    - Scope and Impact: The scope and impact of the strategies undertaken by the organization.
    - Organizational Capacity: The ability of the applicant to execute on the strategy considering experience, staffing, and other resources allocated to the proposal.

Timeline

- The application period and award announcement dates will be published by FHLBank no later than June 30, 2025. If funds are not exhausted by applications received during the application period, additional applications may be considered after the initial application period.

EXHIBIT F
Homeownership Possibilities Expanded (HOPE)

A. **Program Summary.** HOPE provides down payment and closing cost, or funding for repairs related to the transaction for homebuyers earning at or below 150 percent (150%) of the AMI for households purchasing a primary residence in Colorado, Kansas, Nebraska, or Oklahoma. HOPE funding is provided on a reimbursement basis to eligible members, after closing.
B. **Eligible Members.** TurnKey Member Registration Agreements (Registration Agreements), HOPE Funds Reservation, and HOPE Disbursement Requests will only be accepted from eligible members of FHLBank at the time the applicable document is submitted.
C. **Member Registration.** Members must register to participate by submitting a TurnKey Registration Agreement.
D. **Funding Period.** Reservations will be accepted March 3, 2025 through November 28, 2025. HOPE funds will be made available in 2025 with one-fourth (1/4th) of the annual funding to be available on March 3, April 1, May 1 and June 2, 2025. Disbursement requests must be submitted by the member to FHLBank within 90 days of reservation approval. If a member has undisbursed reserved funds from any funding period prior to the current funding period, the member may not participate in the current or future rounds until those undisbursed funds from the previous round are disbursed or withdrawn. This requirement supersedes the requirement that a disbursement request must be submitted by the member within 90 days of reservation approval. FHLBank shall not extend reservations past May 1 of the year following a funding period.
E. **Member Limit.** HOPE funds are available on a first-come, first-served basis of $37,500 in reservations per member per calendar month beginning March 3, 2025. The member limit will be adjusted by 9:00 a.m. Central time on the first business day of each month. Members may access the current month's limit plus the unused portion of previous months' limits if funds are available. FHLBank will evaluate funds remaining after July 1, 2025 and determine whether to continue, discontinue, or change the member limit. Any change in member limits or reallocation of funds will be announced to members. Members are neither allocated nor guaranteed reservations up to the limits in this section.
F. **Grant Amount Requirements.** The subsidy per household at reservation must be $2,500 or greater. The maximum HOPE subsidy per household is $12,500.
G. **Minimum Eligibility Requirements.**
    1. **Income Eligibility.**
        a. **Eligible Households - Income Eligibility Guidelines.** The household income must be at or below 150 percent (150%) of the applicable AMI at the time the household is accepted for enrollment by the member in FHLBank's HOPE. The household's enrollment date is the date the reservation is submitted to FHLBank.
        b. **Income Calculation.** The income calculation is pursuant to FHLBank's Income Calculation Guidelines, as described on FHLBank's website. Income must be documented for all household members age 18 or over, whether or not shown as borrowers for the purpose of other financing.
    2. **Homebuyer Name and Property Address.** The homebuyer name and property address identified on the disbursement request must match the homebuyer name and property address on the approved reservation. Reservations cannot be transferred to other homebuyers or other properties.
    3. **Current Primary Residence.** If the household is not a first-time homebuyer, the current primary residence must be sold or rented to be eligible for HOPE funds.
    4. **Cash Back to Household.** A household may receive a total of up to $250 cash back at any point in the purchase transaction. Unused escrow funds may be returned to the household subject to the $250 cash back limit. The Member shall use any HOPE subsidy exceeding such amount that is beyond what is needed at closing for closing costs and the approved mortgage amount as a credit to reduce the principal of the mortgage loan or as a credit toward the household's monthly payments on the mortgage loan. However, principal reductions are not allowed if the LTV is 80% or lower.
    5. **Reimbursement to Household.** Households may not be reimbursed for repair expenses paid outside of closing.

6. **Financing Costs.** Rate of interest, points, fees, and other charges paid by buyer for all loans made for the project in conjunction with the AHP subsidy shall not exceed a reasonable market rate of interest, points, fees, and other charges for loans of similar maturity, terms, and risk.
7. **Loan to Value (LTV) Ratio:** The ratio of first mortgage loan amount divided by the purchase price of the property shall not be lower than 80 percent (80%).
8. **Front Ratio**: The household's ratio of monthly first mortgage payment divided by monthy household income, as determined using HCD's Income Calculation Workbook, shall not be greater than 38 percent (38%).
9. **Processing Fees.** Processing fees shall not be charged by any entity for providing HOPE subsidy to a household.
10. **Prohibited Uses of HOPE Subsidy.** HOPE funds shall not be used to pay for any of the following:
    a. Home purchases closed prior to FHLBank approval of the reservation for the household or prior to the HOPE funding period.
    b. Repayment of other debt as part of a home purchase.
11. **Use of Subsidy.** Households must agree to use the HOPE subsidies to pay for down payment, closing cost, counseling (homebuyer education), or repairs (see definition of rehabilitation/repairs in Exhibit K) in connection with the household's purchase of a home, including a condominium or cooperative housing unit or manufactured housing, to be used as the household's primary residence.
12. **Retention Period.** Households must agree to a five-year retention period.

H. **Other Guidelines.** The member shall make best efforts to transfer its obligations under the approved application for HOPE subsidy to another member in the event of its loss of membership in FHLBank prior to FHLBank's final disbursement of HOPE subsidies.

I. **Noncompliance Remedial Action.** FHLBank shall recover from the member the amount of any HOPE subsidy that is not used in compliance with this TCLP or the TurnKey Member Registration Agreement, if the misuse is the result of the actions or omissions of the member.

J. **HOPE Funding Procedures.**
1. Requests for both reservations and disbursement of HOPE funds must be submitted through HSP Online, FHLBank's online system.
2. **Reservation of HOPE Subsidy.** To reserve funds for a prospective household, a member must submit a reservation in HSP Online. To submit a reservation for review, a member must submit a completed Income Calculation Workbook, income documentation as specified in the Income Calculation Guidelines, and other documentation as required, to FHLBank through HSP Online. FHLBank shall notify the member when the reservation has been approved or denied.
3. **Disbursement Request.** To submit a disbursement for review, a member must submit the final, signed Closing Disclosure, a copy of the recorded Real Estate Retention Agreement and other documentation as required, to FHLBank through HSP Online within 90 days of reservation approval. FHLBank shall notify the member when the disbursement has been approved or denied.
4. **Retention Agreements.** The member shall ensure HOPE retention requirements are met.
5. **Cancelling Reservation or Disbursement Request.** A member may withdraw reservations, approved reservations, or disbursement requests without penalty through HSP Online.
6. **Timely Submission of FHLBank Requests for Correction, Clarification, or other Follow-up Items.** During review of a Reservation or Disbursement Request (Requests), FHLBank may request additional information, correction, or clarification of the submission. Timely response from the member is required to ensure timely use of funds. FHLBank may, at its discretion, withdraw Requests for which FHLBank has not received the requested additional information, correction, or clarification of the submission within thirty days of FHLBank's request.

K. **Repayment of Subsidy.** In the case of a sale, transfer, assignment of title or deed, or refinancing of the unit by a household during the retention period, the household is required to repay the HOPE subsidy, reduced on a pro rata per month basis until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the Hope five-year retention period. Following a refinance, if the unit continues to be subject to a deed restriction or other legally enforceable retention agreement for the remainder of the retention period, repayment is not

required. The obligation to repay HOPE subsidy to FHLBank shall terminate after any event of foreclosure, transfer by deed-in-lieu of foreclosure, an assignment of a Federal Housing Administration first mortgage to HUD, or death of the HOPE-assisted homeowner.

L. **HOPE Monitoring.** FHLBank shall monitor compliance with all HOPE requirements including HOPE eligibility requirements and member certifications for each household. FHLBank reserves the right to request documentation to support member certifications at any time. FHLBank may use a reasonable sampling plan to select the households to be monitored, and to review the back-up and any other documentation received by FHLBank, but not the member certifications required. The sampling plan and its basis shall be in writing.

M. **HOPE HOUSEHOLD ELIGIBILITY GUIDELINES**

ITEM	**Household Eligibility Guidelines**
a. Mortgage Term	All HOPE home purchases must be funded with a mortgage that meets the following guidelines: 1) Maximum mortgage term is forty (40) years. 2) Minimum mortgage term is five (5) years.
b. Mortgage Rate	First mortgage: A maximum of 200 basis points over 30-Year Fixed-rate Mortgage rate published by Freddie Mac in its Compilation of Weekly Survey Data on the first week of each calendar quarter. Second mortgage: A maximum of 400 basis points over the 30-Year Fixed-rate Mortgage rate published by Freddie Mac in its Compilation of Weekly Survey Data on the first week of each calendar quarter.
c. Lender Fees	Lender fees paid by buyer including origination fee shall not exceed 3 percent (3%) of loan amount.
d. Lender Discount Fees	Loan discount fees paid by buyer shall not exceed 3 percent (3%) of the loan amount.
e. Front ratio	A Front Ratio, as defined in Exhibit K, shall not be greater than 38 percent (38%).
f. Loan to Value Ratio	The Loan to Value Ratio, as defined in Exhibit K, shall not be less than 80 percent (80%).

N. **HOPE RETENTION REQUIREMENTS**

The following sets forth retention requirements for HOPE retention requirements.

A household that receives HOPE subsidy for the purchase of a primary residence shall be subject to a deed restriction or other legally enforceable retention agreement or mechanism ("Retention Agreement") ensuring retention for five years (60 months) from the closing date for the purchase of the property as evidenced by the closing document. The member shall ensure any Retention Agreement under this paragraph requires that:

1. FHLBank, and in FHLBank's discretion any designee of FHLBank, shall be given notice of any sale, transfer, assignment of title or deed, or refinancing of the unit by the household during the five-year retention period.
2. Any repayment of the subsidy shall be made to FHLBank.
3. The obligation to repay HOPE subsidy to FHLBank shall terminate after any event of foreclosure, transfer by deed-in-lieu of foreclosure, an assignment of a Federal Housing Administration first mortgage to HUD, or death of the HOPE-assisted homeowner.
4. In the case of a refinancing of the unit by the household during the retention period, no repayment is required if the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism as defined in this section.

Repayment of HOPE Subsidy Calculation. The amount of HOPE subsidy a household subject to a HOPE retention agreement is required to repay shall be reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, or is refinanced, during the HOPE five-year retention period.

EXHIBIT G
Community Assistance Recovery Effort

PROGRAM OBJECTIVE

Community Assistance Recovery Effort (CARE) provides assistance to members in the form of a matching grant to amplify the support our members provide to their communities when natural disasters occur. FHLBank members are in the best position to determine local needs following a disaster and to direct assistance where it will have the greatest impact.

PROGRAM ACTIVITIES

FHLBank will match up to $3 for every $1 a member contributes to disaster relief efforts. When a disaster is declared by the Federal Emergency Management Agency (FEMA), members may request CARE funds as follows:

- CARE funds are only for declared disasters in Colorado, Kansas, Nebraska, or Oklahoma.
- Members must contribute $1 for every $3 of CARE funds requested.
- Members must donate at least $2,500 of their own funds.
- CARE funds are capped at $75,000 per member, per disaster.
- FHLBank will not match member donations made prior to January 1, 2025.
- Members may submit multiple requests to address disaster needs in the communities they serve, subject to the member limit described above.
- CARE funds must be used for relief efforts related to the declared disaster, such as, but not limited to:
    a. Emergency housing,
    b. Debris clean up,
    c. Supplies and equipment.
- CARE funds may not be used for:
    a. A member's foundation, member trade association foundations, or similar,
    b. Any political activity or purpose,
    c. Any litigation expense.
- Program funds unused as of November 30 will be reallocated to the AHP Extra Program.

EXHIBIT H
Lending Enhancement Advance Program (LEAP)

PROGRAM OBJECTIVE

LEAP allows members and housing associates to borrow at below regular advance interest rates to support targeted lending. FHLBank provides this reduced rate funding to encourage lending that leads to the creation or retention of housing or jobs within a member's and housing associate's community or geographic footprint within FHLBank's district. LEAP advances are available on a first-come, first-served basis, subject to total program funds availability.

PROGRAM ACTIVITIES

Members and housing associates must use LEAP funds in support an eligible activity as follows:

Category	Activity Description
Nonprofit mortgage originator loan purchases	Members use program funds to purchase or originate below-market residential mortgage loans from nonprofit organizations that provide mortgage financing directly to homebuyers, such as Neighborhood Housing Services or Habitat for Humanity affiliates.
Community Development Financial Institution (CDFI) lending	Members use program funds to originate loans to CDFIs. The CDFI must be headquartered in Colorado, Kansas, Nebraska, or Oklahoma. Members may lend program funds to both member and non-member CDFIs.
CDFI match-funding	FHLBank member CDFIs use program funds to match-fund loans to housing and community development projects in Colorado, Kansas, Nebraska, or Oklahoma.
Small business lending	Members use program funds to match-fund loans to small business customers or to purchase Industrial Revenue Bonds.
Targeted agricultural lending	Members use program fund to match-fund loans for targeted agricultural lending (beginning farmer, water conservation, etc.).
Rural development	Members use program fund to match-fund loans, leases, or bond purchases financing projects that improve the quality of life and economic well-being of people living in rural areas (health care, broadband or public utilities, nutrition or food security, etc.).
Native American Tribal lending	Members use program funds to match-fund loans to Tribes or Tribally Designated Housing Entities for the development of housing or for Tribal enterprises.
Infrastructure financing	Members use program fund to match-fund loans, leases, or bond purchases financing infrastructure projects.

PROGRAM DETAILS

Program Eligibility:	Eligibility is subject to member qualifying for one of the Eligible Activities, being in good standing, and meeting all FHLBank Credit Guidelines.
Application/Certification Process:	Members submit a form to FHLBank, prior to the advance request, certifying the request qualifies for the program and stating the requested discount and advance terms.
Member Limit:	$300,000 per member (in interest rate discount value)
Advance Term:	One to five years
Advance Type:	Regular fixed rate advances
Advance Pricing/Rate:	Chosen by the member as 50, 100, 150, or 200 basis points below standard advance rates, subject to a 0% floor.
Advance Limit:	Advances cannot exceed the unpaid principal balance of eligible loans held by the member or housing associate at time of application/certification, or to

	be originated/purchased with advance funding. Advances must be settled by November 30.
Minimum Advance:	The minimum advance amount is $10,000 for regular fixed rate advances.
Advance Prepayment:	LEAP advances are subject to FHLBank's standard early payoff fee.
Other Considerations:	All collateral, capital stock, and membership requirements remain applicable to members and housing associates participating in LEAP.

EXHIBIT I
Mortgage Rate Reduction Product

PROGRAM OBJECTIVE

The Mortgage Rate Reduction Product provides members with support to address the increasing challenges of homeownership affordability for borrowers and communities. FHLBank is allocating a subsidy to purchase income-eligible loans through the Mortgage Partnership Finance® (MPF®) Program. The product provides eligible households a reduced mortgage interest rate compared to the current market rate. The subsidy amount is the difference in premium earned by the Participating Financial Institutions (PFIs) between the set Mortgage Rate Reduction price and the market price of the reduced rate loan. The product will be introduced in early 2025 and will be available on a first-come, first-served basis until the subsidy is exhausted.

MEMBER REQUIREMENTS

- Members must be active PFIs.
- PFIs must complete FHLBank's on-demand training.
- PFI's must have a current Master Commitment for either the MPF Original or MPF 125 product.
- PFI's must verify income eligibility to ensure borrowers' incomes do not exceed 80 percent (80%) of the AMI.
- PFIs must submit loans with the sub-product code of Fixed 30 Yr. Permanent Buydown FHLB.
- PFI's must execute a Delivery Commitment (DC) to lock in subsidy funds for eligible borrowers. PFIs that have not executed a DC are not guaranteed subsidy funds to cover the sale of the loan at a premium.
- PFIs must create a separate DC for each loan sold. There will be no bulk loan sales allowed under the Product.

BORROWER ELIGIBILITY

- PFIs must obtain IRS tax transcripts as part of the underwriting process during origination to validate income and must maintain them in the file for quality control (QC) reviews.
- PFIs are required to document all qualifying income for all owner/occupants of the property securing the loan.
- All occupying owners (on title) must be borrowers on the loan/note.
- All borrower income is to be disclosed and documented in accordance with MPF® Guide requirements.
- Income not used to qualify the loan must be included when determining Mortgage Rate Reduction eligibility.
- Mortgage Rate Reduction eligible loans must have a documented and verified income at or below 80% of the FHFA AMI.
- All other standard underwriting requirements apply.
- For additional information see the Mortgage Rate Reduction Product Income Decision Tree on determining income to be included in the calculation.

PROGRAM PARAMETERS

- FHLBank will honor all unexpired DCs for this product type (Fixed 30 Yr Permanent Buydown FHLB) if sold by December 31, 2025.
- Only 30-year conforming conventional fixed-rate loans for one-to-four family owner-occupied residential properties are eligible. Second homes are not eligible.
- Third-party originations (TPOs) are not permitted. Loans must close in the name of the PFI.
- The note rate must match the DC rate, there will be no tolerance for note rate changes.
- PFIs will be limited to $3 million in total loan originations. This limit will be re-evaluated no later than 90 days after the product is launched.
- FHLBank will pay a premium for each loan sold under the product.

- PFIs will execute DCs under existing MPF Original or MPF 125 Master Commitments.
- The Mortgage Rate Reduction product can be used to refinance existing mortgages to qualified borrowers (both rate/term and cash out are eligible).
- If a loan fails to close after a DC is executed, pair-off fees will be charged in accordance with the MPF Selling Guide.
- Loans are subject to normal QC requirements, but FHLBank reserves the right to perform additional QCs at any time.
- If FHLBank determines a loan does not meet the income requirements or is otherwise ineligible after closing and the loan has already been sold to the MPF Program, FHLBank will have the right to require the PFI to repurchase the loan*, including returning the full amount of the subsidy received.
- If a loan is paid in full within 120 days of the MPF sale date, the full amount of the subsidy and any servicing released premium (SRP) is subject to recapture.
- The Mortgage Rate Reduction product can be used in conjunction with FHLBank's TurnKey suite of products or other eligible grant and downpayment programs if the loan and household meet the requirements of these programs.
- The FHFA AMI is updated once per year. If a county's AMI decreases after an application is started, FHLBank will honor the AMI table in effect at the time of the delivery commitment.

*Subject to management exceptions and tolerances.

EXHIBIT J
FHLBank Topeka Affordable Housing Institute at MSU Denver

FHLBank is partnering with Metropolitan State University (MSU) on the development of their Affordable Housing Institute. MSU is a designated Minority-Serving Institution and Hispanic Serving Institution, with over 55 percent of its students being students of color, over half are first generation college students, and one-third are low-income based students. The institute, to be named the FHLBank Topeka Affordable Housing Institute at MSU Denver, will support the development of a future workforce, work-ready in the affordable housing space, supporting capacity-building and better positioning FHLBank Topeka Affordable Housing Institute students to access, deploy, and administer funding for affordable housing development.

PROGRAM OBJECTIVE

The institute will be a cross-departmental institute that will include the university's social work, real estate, finance, and business programs. In addition to developing for-credit and not-for-credit credential programs, the institute will focus on facilitating learning opportunities for real-world experience and preparing students for careers in affordable housing. FHLBank's participation will include ongoing engagement with the institute such as speaking engagements, connection to institute events and activities, supporting internships from the institute and making connections for institute students, and hopefully ultimately hiring institute students. The institute will be supported with a financial, voluntary contribution from FHLBank of $1 million in 2024 and $1 million to be paid over three years from 2025-2027.

EXHIBIT K
Definitions

Activity Targeted Beneficiaries: Projects that qualify as small businesses.

AHP: Affordable Housing Program

Area Median Income (AMI): For HOPE households, the median income for the area, based on limits as published by the USDA and adjusted for household size.

Closing Costs: Expenses over and above the price of the property incurred by the buyer when transferring ownership of the property.

> **Eligible Closing Costs include**, but are not limited to: loan origination fee, loan discount fee, appraisal fee, credit report, mortgage insurance, application fee, closing fee, document preparation, attorney fees, title insurance (for mortgagee or owner), abstracting fees, recording fees, tax stamp fees, survey fees, pre-paid interest for up to 30 days, initial flood insurance premium, two months' escrow of mortgage insurance, escrow of property tax as appropriate for the jurisdiction in which the property is located, two months' escrow of flood insurance, first year's premium for homeowner's insurance, first year's premium for mortgage insurance, property inspection fees, homebuyer education classes (not to exceed maximum cost set forth in this Plan), financial education programs, etc.
>
> **Ineligible Closing Costs include**, but are not limited to: single premium or monthly life and/or disability insurance coverage, escrow of principal and interest payments, or payments of personal obligations of the households including personal loans, judgments, or liens.

Co-borrower: Individual(s) included on the deed, mortgage/deed of trust, and promissory note for a property in conjunction with another individual(s) and is liable for repayment of debt secured by the mortgage/deed of trust.

Co-owner: Individual(s) included on the deed and/or mortgage/deed of trust for a property in conjunction with another individual(s).

Co-signer: Individual(s) included on the promissory note and liable for repayment of debt for real estate but is not on the deed and/or mortgage/deed of trust for property. If non-occupying co-signer income is used to qualify the household for the loan, the household is not eligible for AHP or TurnKey grant programs. "Co-signer" and "Guarantor" are commonly used interchangeably.

Community Development Program (CDP): Provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance qualifying commercial loans, farm loans and community and economic development initiatives in the areas they serve. (See Exhibit B/CDP Qualifying Criteria for a list of CDP qualifying criteria.)

Community Housing Program (CHP): Provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance owner- and renter-occupied housing in their communities.

Community Investment Cash Advance (CICA) Program: FHLBank's Affordable Housing Program (AHP), CHP and CDP.

Community Investment Program (CIP): Program to provide financing for housing projects and for eligible targeted community lending at the appropriate targeted income levels. CIP includes FHLBank's CHP and CDP.

Disbursement: A transfer of program funds to the member for use by the project.

Economic development projects:

(1) Commercial, industrial, manufacturing, social service, and public facility projects and activities; **and**
(2) Public or private infrastructure projects, such as roads, utilities, and sewers.

Family: One or more persons living in the same dwelling unit.

Federally Recognized Tribe: An American Indian or Alaska Native Tribal entity that is recognized as having a government-to-government relationship with the United States, with the responsibilities, powers, limitations, and obligations attached to that designation, and is eligible for funding and services from the Bureau of Indian Affairs.

Federally recognized Tribes are recognized as possessing certain inherent rights of self-government (i.e., Tribal sovereignty) and are entitled to receive certain federal benefits, services, and protections because of their special relationship with the United States.

FHLBank District: The states of Colorado, Kansas, Nebraska, and Oklahoma (i.e., District 10).

Finance Agency (FHFA): The Federal Housing Finance Agency is the Federal Home Loan Bank System's regulator.

Front Ratio: The sum of the monthly principal, interest (including subordinate mortgages), property taxes, property insurance, other housing-related fees (e.g., homeowners' association fees, flood insurance, private mortgage insurance, etc.) divided by the household's monthly income.

Geographically Defined Targeted Beneficiaries are:

(1) A project located in a neighborhood with a median income at or below the targeted income level;
(2) A project located in an Indian area, as defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*), Alaskan Native Village, or Native Hawaiian Home Land;
(3) A project located in a federally declared disaster area.

Guarantor: Individual(s) included on the promissory note and liable for repayment of debt for real estate but is not listed on the deed and/or mortgage/deed of trust for property. If non-occupying guarantor income is used to qualify the household for the loan, the household is not eligible for AHP or TurnKey grant programs. "Guarantor" and "Co-signer" are commonly used interchangeably.

Homebuyer/Homeownership Education: Recipients must complete a homebuyer education program, within the current or previous calendar year of the purchase closing date or rehabilitation completion date (for Owner-occupied Rehabilitation projects), provided by, or based on one provided by, an organization experienced in homebuyer education.

Household: Includes all the individuals who currently, or will, occupy the house or residence.

Housing projects: Projects or activities that involve the purchase, construction, rehabilitation or refinancing (subject to § 1292.5(c)) of, or predevelopment financing for:

(1) Individual owner-occupied housing units, each of which is purchased or owned by a family with an income at or below the targeted income level;
(2) Projects involving multiple units of owner-occupied housing in which at least 51% of the units are owned or are intended to be purchased by families with incomes at or below the targeted income level;
(3) Rental housing where at least 51% of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below the targeted income level; or
(4) Manufactured housing parks where:
    - At least 51% of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below the targeted income level; **or**
    - The project is located in a neighborhood with a median income at or below the targeted income level.

HUD: U. S. Department of Housing and Urban Development.

Individual Targeted Beneficiaries are:

(1) The annual salaries for at least 51% of the permanent full- and part-time jobs, computed on a full-time equivalent basis, created or retained by the project, other than construction jobs, are at or below the targeted income level; **or**
(2) At least 51% of the families who otherwise benefit from (other than through employment), or are provided services by, the project have incomes at or below the targeted income level.

Lender Fees: Fees charged by lender in association with the loan.

Loan to Value (LTV) Ratio: The ratio of first mortgage loan amount divided by the purchase price of the property.

Manufactured Housing: A structure, transportable in one or more sections, which is built on a permanent frame and is designed to be used as a dwelling when connected to the required utilities.

Market Rate Interest: 30-Year Fixed-rate Mortgage rate published by Freddie Mac in its Compilation of Weekly Survey Data on the first week of each calendar quarter.

Median income for the area:

(1) *Owner-occupied housing projects and economic development projects.* For purposes of owner-occupied housing projects and economic development projects, median income for the area means the applicable median family income:
- as published by USDA Rural Development; **OR**
- the Federal Financial Institutions Examination Council (FFIEC) Geocoding system which is used to qualify CDP projects located in an area where the median area income is at or below the targeted median income.

(2) *Rental housing projects.* For purposes of rental housing projects, median income for the area means the median income for the area, as published annually by HUD.

Minor Child: A person who is either: 1) under the age of 18; or 2) 18 or older and is not engaging in substantial gainful activity due to a physical or mental condition that very seriously limits their activities and the condition has lasted, or is expected to last, at least one year.

Mixed-use Project: A project involving a combination of housing (owner-occupied or rental) and economic development activities.

MSA: Metropolitan Statistical Area as designated by the Office of Management and Budget.

Neighborhood includes:

(1) A Census tract or Block Numbering Area;
(2) A unit of local government with a population of 25,000 or less;
(3) A rural county; or
(4) A geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographic designation that is within the boundary of but does not encompass the entire area of a unit of general local government.

Provide financing means**:**

(1) Originating loans;
(2) Purchasing a participation interest, or providing financing to participate, in a loan consortium for CICA-eligible housing or economic development projects;
(3) Making loans to entities that, in turn, make loans for CICA-eligible housing or economic development projects;
(4) Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CICA Program under which the member or housing associate borrower receives funding;
(5) Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CICA Program under which the member or housing associate borrower receives funding;
(6) Originating CICA-eligible loans within 3 months prior to receiving the CICA funding; **and**
(7) Purchasing low-income housing tax credits.

Punitive List: Internal FHLBank list on which a project member, sponsor, owner, and/or individuals may be placed for noncompliance with monitoring, reporting, viability, and regulatory requirements of the AHP, FHLBank's AHP Implementation Plan, and FHLBank's policies and procedure. Entries on the Punitive List are risk rated 1 through 6 based on the likelihood the project will not achieve compliance and whether funds disbursed to the project are likely to be recovered.

Rehabilitation (owner-occupied rehabilitation)/Repair and (owner-occupied purchase): To restore those parts of a dwelling in substandard condition, damaged, broken, or not working correctly, back to good condition or working order to address habitability issues, code deficiencies, or underwriting requirements. FHLBank's subsidy for rehabilitation should be used to accomplish the objective of maintaining affordable housing, defined as housing that is targeted to the low-and-moderate income markets. Repairs or improvements inconsistent with the objective of maintaining affordable housing are not eligible as a rehabilitation cost.

Eligible Rehabilitation/Repair Costs: HOPE subsidy may be used to pay for rehabilitation in conjunction with the purchase of a home including, but not limited to: accessibility, roof, electrical, plumbing, sewer, mechanical, foundation or other structural, windows, doors, floor coverings, wall repair, paint, or hazardous material remediation.

Ineligible Rehabilitation/Repair Costs: HOPE subsidy cannot be used to pay for rehabilitation (unless specified above) including, but not limited to: construction/repairs of an outbuilding, payments directly to the household for repair labor, luxury items (i.e., landscaping, hot tubs, swimming pools).

Retention Period: HOPE disbursements that include the purchase of existing and newly constructed homes shall have agreements ensuring retention for five (5) years (60 months) from a) the date of the closing as evidenced by the closing document.

Rural area includes**:**

(1) A unit of general local government with a population of 25,000 or less; or
(2) An unincorporated area outside an MSA; or
An unincorporated area within an MSA that qualifies for housing or economic development assistance from the USDA.

Second Home: A residence the household intends to occupy for part of the year in addition to a primary residence.

Single-family Building: A structure with one to four dwelling units.

Small business: A "small business concern," as that term is defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration (SBA) under 13 CFR part 121, or any successor provisions. The SBA definition is available at http://www.sba.gov.

Subsidy: Monetary assistance granted by FHLBank in support of affordable housing in communities served by FHLBank. The HOPE subsidy is a direct subsidy, provided that if the direct subsidy is used to write down the interest rate on a loan extended by a member, project sponsor, or other party to a project, the subsidy must equal the net present value of the interest foregone from making the loan below the lender's market interest rate.

Targeted community lending: Providing financing for economic development projects for targeted beneficiaries.

Targeted income level includes:

(1) For rural areas, incomes at or below 115 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable AMI standard;
(2) For urban areas, incomes at or below 100 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable AMI standard;
(3) For advances provided under CIP:
    (i) For economic development projects, incomes at or below 80 percent of the median income for the area;
    (ii) For housing projects, incomes at or below 115 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable AMI standard.

Tribally Designated Housing Entity (TDHE): An entity designated by a federally-recognized Native American Tribe to administer its housing programs utilizing HUD funding.

Urban area includes**:**

(1) A unit of general local government with a population greater than 25,000; or
(2) An unincorporated area within an MSA that does not qualify for housing or economic development assistance from the USDA.

USDA: The U. S. Department of Agriculture.

USDA Income Limits: The income limits for a county developed by the USDA and published annually to determine eligibility of applicants for USDA's assisted housing programs.