FHLBANK DALLAS

Member driven.
Community focused.

2026 Targeted Community Lending Plan

I. Introduction

The Federal Home Loan Bank Dallas (FHLB Dallas) is a cooperatively owned wholesale financial institution dedicated to serving its member financial institutions and supporting affordable housing and economic growth. The 2026 Targeted Community Lending Plan identifies significant housing and economic development needs and investment opportunities within the communities our members serve. The FHLB Dallas operates several housing and community investment programs that provide funding our members and their development partners can use to invest in communities, support affordable housing production, assist first-time homebuyers, and finance small businesses, creating longer-term economic and community benefits.

Pursuant to the requirements of 12 CFR 1290.6(a)(5), a Bank's annual Targeted Community Lending Plan adopted under its community support program shall, among other things, identify the significant affordable housing needs in its district that will be addressed through its AHP, as well as any specific affordable housing needs it plans to address through any Targeted Funds as set forth in its AHP Implementation Plan. The FHLB Dallas is not offering an AHP Targeted Fund in 2026.

II. Market Study and Needs Analysis

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

The quantitative data for the Housing and Economic Development Needs Assessment are largely drawn from the 2017 and 2022 American Community Survey (ACS), the Bureau of Labor Statistics (BLS), the Federal Deposit Insurance Corporation (FDIC), and state and local resources throughout the District. In partnership with FHLB Dallas, the Enterprise Community Partners surveyed the FHLB Dallas members and community partners to better understand the barriers to homeownership, affordable rental housing, and economic development. The survey supplements the quantitative assessment of housing and economic development needs with invaluable local perspectives.

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

III. Market Research Analysis Results

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

Housing

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

Economic Development

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

IV. Technical Assistance

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

1. **Members Regional Workshops:** Annually, FHLB Dallas conducts training workshops. In 2026, these events will be hosted in person as well as via webinar.

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

3. **Housing Conferences:** Also, annually, the FHLB Dallas staff may participate in and attend housing conferences to not only provide information about the FHLB Dallas community investment programs, but also to stay informed of housing issues. Below is a partial list of conferences typically attended:
    a. Texas Association of Community Development Corp. Annual Conference
    b. Texas Habitat for Humanity Lone Star Summit
    c. Texas (TAAHP) Housing Conference
    d. Mississippi (MHC) Affordable Housing Conference
    e. Louisiana Association of Affordable Housing Providers Annual Housing Conference
    f. Louisiana (LHC) Housing Conference
    g. Mississippi Association of Affordable Housing Providers Annual Housing Summit
    h. Housing New Mexico Bi-Annual Housing Summit (2027)

4. **Webinars:** The FHLB Dallas utilizes webinars offered to market our products as well as provide technical assistance. During 2025, the FHLB Dallas offered webinars on the AHP, HELP, SNAP and FORTIFIED Owner and Rental programs. We expect to offer webinars in 2026 covering similar program content.

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

V. Programs for 2026

The FHLB Dallas offers the following programs:

1. Housing programs:
    a. Affordable Housing Program General Fund (AHP)
    b. Homebuyer Equity Leveraging Partnership (HELP)
    c. Special Needs Assistance Program (SNAP)

d. Disaster Rebuilding Assistance Program (DRA)
e. Community Investment Program (CIP)
f. Housing Assistance for Veterans Program (HAVEN)
g. FORTIFIED Fund – Homeownership
h. Fortified Fund - Rental
i. Pathway Fund
j. Native American Housing Opportunities (NAHO) Fund

2. Community Development programs:
    a. Economic Development Program (EDP)
    b. Small Business Boost (SBB)
    c. Disaster Relief Program (DRP Advance)
    d. Partnership Grant Program (PGP)
    e. State HFA Educational Grant Program
    f. Community Advancement Through New Opportunities & Partnership (CANOPY)

Additionally, to further support the need to increase the supply of affordable housing, the FHLB Dallas intends to develop and offer a special SHARE Advance program in 2026 that will provide a subsidized advance to members that certify the funds are used to finance the construction of new affordable housing. The FHLB Dallas may also offer additional assistance programs in events of major natural disasters or tornadoes. These programs are provided on a case-by-case basis depending on the size and scope of the natural disaster.

VI. Lending Programs

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

1. CIP provides favorably priced advances to support the financing of housing benefiting families with incomes at or below 115 percent of the area median income.
    a. CIP Advances can be used to:
        - Purchase, refinance, construct or rehabilitate individual owner-occupied housing properties that benefit families with incomes at or below 115 percent of the area median income
        - Purchase, refinance, construct or rehabilitate rental housing or multiple units of owner-occupied housing where at least 51 percent of all families have incomes at or below 115 percent of the area median income
        - Purchase state housing finance agency bonds or mortgage-backed securities representing pools of loans that could be funded directly with CIP advances
        - Purchase a participation interest or provide financing to participate in a loan consortium for housing projects
        - Purchase low-income housing tax credits
        - Make loans to entities that, in turn, provide funding for eligible housing projects
        - Fund CIP eligible loans that originated three months prior to CIP advance
    b. Funds are available throughout the year on a non-competitive basis
    c. CIP advances may not exceed, at the time the advance is approved the lesser of 15 percent of a member's total assets, or $200 million

2. EDP assists FHLB Dallas members with financing projects that lead to job creation or job retention for low-

and moderate-income wage earners or provide services to low- and moderate-income families and communities.

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

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

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

VII. Community Investment Products

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

1. Small Business Boost (SBB) is intended to fill the gap between what the member can approve, and the loan requested by an eligible small business. SBB funds are disbursed through members to small businesses as secondary, unsecured loans. Upon approval, the FHLB Dallas provides SBB recoverable assistance to the member, which then in turn makes the SBB loan to the small business. $4,000,000 million in SBB funds is available in 2026. SBB funding is available on a first come, first served basis for transactions that meet the following guidelines:

a. Borrower must be qualified as a small business based on Small Business Administration standards
b. Member must provide at least 40 percent of total financing
c. The maximum SBB loan amount is $125,000 or 50 percent of the member loan to the small business, whichever is less
d. At least one job must be created or retained for every $62,500 in SBB funding or the member may provide evidence of other positive economic impact as result
e. Member must demonstrate how the SBB funds will be used to fill the gap when there is a lack of equity, collateral shortage, or challenges with initial cash flow
f. Businesses may obtain only one SBB loan
g. Through August 18, 2026, Small Business Boost has been modified to assist the recovery of communities in central Texas impacted by the flooding of July 2025.

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

    a. Funds are allocated to members through a lottery system.
    b. Member institution cash contribution of $500-$5,000 will be matched at a 5:1 ratio up to a maximum lifetime grant. No in-kind contributions or donations will be matched.
    c. Eligible community-based organizations must have an annual revenue at or below the revenue limit noted in the application instructions.
    d. $1,500,000in Partnership Grant funds is available in 2026.

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

    a. Grant recipients must be qualified as physically disabled or be identified as a Gold Star Family by the Veteran's Administration, a branch of the U.S. Military, the Federal government or other acceptable source.
    b. HAVEN funds may not exceed $25,000 per household.
    c. Households must have a family income of 165 percent or less of the median income for the area at the time the household is accepted for enrollment by the member in the Bank's program.
    d. If a home is being newly constructed and adapted to meet the needs of the veteran or service member, HAVEN funds may be used to offset construction costs.
    e. Qualified first-time home buyers may use HAVEN funds to assist with down payment and/or closing costs.
    f. $1,000,000 in HAVEN funds is available in 2026.

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

    a. Funds are available for first-time homebuyers for down payment and/or closing costs.
    b. Households must have a family income of 80 percent or less of the median income for the area at

the time the household is accepted for enrollment by the member in the FHLB Dallas Homeownership Set-Aside program.

c. HELP funds may not exceed $20,000/homebuyer for properties located in Arkansas, Louisiana, Mississippi or outside the Bank's district. The member may not request HELP funds in an amount exceeding $25,000/homebuyer for properties located in New Mexico or Texas.
d. $17,000,000 HELP in funds is available in 2026.

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

    a. Only special needs households are eligible. The household will qualify if at least one household member meets the special needs definition.
    b. SNAP funds may not exceed $10,000 per household.
    c. Households must have a family income of 80 percent or less of the median income for the area at the time the household is accepted for enrollment by the member in the FHLB Dallas Homeownership Set-Aside program.
    d. $1,800,000in SNAP funds is available in 2026.

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

    a. Property must be used as a household's primary residence and be in an area in the FHLB Dallas district designated for Individual Assistance by the Federal Emergency Management Agency (FEMA) within the timeframe set by the Bank.
    b. Reimbursement for repair or replacement work is limited to assistance not already paid for by insurance, federal or state emergency assistance or any other funding sources.
    c. Funds are available on a first come, first-served served basis not to exceed. $15,000/homeowner.
    d. Households must have a family income of 80 percent or less of the median income for the area at the time the household is accepted into enrollment.
    e. $3,500,000in DRA funds is available in 2026.

7. Affordable Housing Program General Fund (AHP) Overview: AHP funds are intended to assist FHLB Dallas members in financing the purchase, construction and/or rehabilitation of owner-occupied, rental or transitional housing, as well as housing for homeless individuals in their community. AHP funds must be used to benefit households with incomes at or below 80 percent of the median income for the area. Since the AHP's inception in 1990, FHLB Dallas has awarded more than $487 million in AHP and AHP set-aside programs, such as HELP and SNAP, have assisted more than 68,000 households. The funding allocation for the AHP General Fund is typically announced in the first quarter of 2026. The FHLB Dallas AHP General Fund is more fully described in the FHLB Dallas AHP Implementation Plan which can be found at *fhlb.com/community-programs*.

8. FORTIFIED Fund - Homeownership: The FHLB Dallas will provide grants for income qualified homeowners

to replace an existing roof with a FORTIFIED Roof. FORTIFIED helps homeowners keep their roof on and keep water out during hurricanes, high winds, hail, and severe thunderstorms

a. Households must have household income of 120 percent or less of area median income.
b. The assisted property must be located within the FHLB Dallas five-state district.
c. FORTIFIED Roof grants up to $15,000 per household for replacement of an existing roof.
d. A FORTIFIED Fund application may request up to $500,000 for a minimum of 5 up to 50 pre-approved households.
e. $10,000,000 in FORTIFIED Fund - Homeownership is available in 2026.

9. FORTIFIED Fund – Rental: FHLB Dallas will support resilient and affordable rental housing through the FORTIFIED Fund Rental Program to provide grants to support the upgrade of existing roofs on affordable rental housing to FORTIFIED Roofs. These roofs integrate research findings from the Insurance Institute of Business and Home Safety (IBHS) focusing on mitigating damage caused by severe weather events.

    a. Applications are submitted during an annual round to be announced by the Bank in the first quarter of 2026.
    b. The projects must be located within the FHLB Dallas five-state district.
    c. Each application may request up to $1 million in funding.
    d. $10,000,000 in FORTIFIED Fund – Rental is available in 2026.

10. Pathway Fund: The FHLB Dallas will provide Pathway grants to increase the capacity of organizations that help prevent or remediate heirs' property issues. Heirs' property is a barrier to the ability to sell, collateralize, improve, or otherwise transfer real estate.

    a. Applications are submitted during an annual round to be announced by the Bank in the first quarter of 2026. Funding is awarded on a first-come, first-served basis.
    b. The organization must qualify as a non-profit, governmental entities, or federally recognized tribe.
    c. The organization must be located within the FHLB Dallas district.
    d. For those organizations that have remediated heirs' property related issues, the member may request up to $150,0000. The organization must submit documentation of recent heirs' property remediation including years of remediation experience, related staff, and their experience in property remediation as well as the number of properties by which the organization has cleared titles in the past two years.
    e. For those organizations that have provided preventative education and awareness regarding heirs' property related issues, the member may request up to $25,000.
    f. $4,000,000 in Pathway Funds is available in 2026

11. State Housing Finance Agency (HFA) Education Grant Program: Provides grants to support the growth of homeownership education and financial counseling programs through the State Housing Finance Agencies located in the FHLB Dallas district.

    a. Applications are submitted by State Housing Finance Agencies during an annual round to be announced by the Bank in the first quarter of 2026.
    b. $600,000 in State HFA Education Grants is available for 2026.

12. Native American Housing Opportunities (NAHO) Fund: Provides grants to federally recognized tribes and

Tribally Designated Housing Entities (TDHEs) to support housing needs of tribal members.

a. Applications are submitted during an annual round to be announced by the Bank in the first quarter of 2026. Funding is awarded on a first-come, first-served basis.
b. The tribe or TDHE, via a member institution, may request up to $200,000.
c. $1,500,000 in NAHO Funds is available in 2026.

VIII. Native American and Tribal Communities in the Dallas District

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

As noted in the Bank's 2024 District Needs Assessment, attaining homeownership is a key priority for many Tribal citizens within the FHLB Dallas District and nationwide. The necessity of preserving Tribal sovereignty over land, however, has posed challenges for Tribal citizens seeking conventional mortgages for properties in Tribal trust areas due to the fact that the mortgage market in the U.S. is built on collateralized loans secured by the lender's ability to seize both the structure and the land of a foreclosed property, and this process assumes fee simple ownership of land. As a result, Tribal governments, the federal government, and GSEs have developed lending products and Tribal foreclosure processes that offer access to capital without putting Tribal trust lands at risk, seeking to address the challenges of lending on trust land and meet the demand for homeownership among Tribal citizens. These approaches present a key opportunity for FHLB Dallas member banks and other lenders to provide capital to meet the housing needs of Tribal citizens. Residents of Tribal lands are more likely to own their homes than other District and U.S. residents, but major obstacles remain for households seeking mortgages to purchase or build homes on Tribal lands.

The FHLB Dallas has demonstrated a track record of serving tribal housing needs via the AHP. Since the inception of the AHP, the FHLB Dallas has awarded 29 AHP subsidies supporting tribal housing with 13 tribal communities, on and off reservation trust land totaling $5,889,224.

Although there is regular use of the Dallas AHP General Fund by tribal housing entities in the district, the FHLB Dallas has determined that given the average median income of a tribal household of $39,873 and discussions with our partners in the district, the FHLB Dallas is committed to maintaining our relationships with tribal housing entities and other funders in the district in 2026 as noted in the Initiatives listed in Section XI of the plan below.

In 2024, the Bank launched the Native American Housing Opportunities (NAHO) Fund to provide grants to support and meet the tribal housing needs in the district. NAHO will continue to be offered by the Bank in 2026. Additionally, the AHP General Fund has a scoring component that provides points for applications where the affordable housing project is located in a Native American Service Area or HUD-designated Indian Housing Block Grant (IHBG) Area or have a project owner that is a Tribal Government, an agency of a Tribal Government, a Tribally Designated Housing Entity, or an entity incorporated under or otherwise created in accordance with Tribal Law.

IX. 2025 Goals & Results

Lending

1. Commit **$4 million in Small Business Boost** funds to encourage small business lending throughout the district. **Results: Committed $2.54 million** (not final at the time of writing) to members to support their small business customers in 2025.

2. Increase **CIP/EDP Advance & LOC commitments ($) to members by 37.5%** over 2024 results. **Results: Increased CIP/EDP Advance & LOC commitments by 1,758.7%** (not final at the time of writing) to members to support the financing of affordable housing and economic development activities.

Member Engagement

1. Receive **HELP** applications from a minimum of **70 different members** to support member's community activity throughout the district. **Result: 89 unique members** submitted applications for subsidy offered for first-time homebuyers.

2. Commit **$10 million in FORTIFIED Fund – Homeownership and Rental grants** to promote resilience to future disasters and support member's community activity throughout the district. **Result: Committed over $18.6 million** in Fortified Owner and Rental grants to install Fortified roofs in the district.

3. Receive **AHP General Fund** applications from a minimum of **45 different** members to support member's community activity throughout the district. **Result: 42 unique members** submitted applications for the AHP General Fund

Outreach and Education

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

    a. In person events: **75 unique members** attendance. **Results: Six in-person workshops** were held throughout the district, **51 members attended**
    b. Webinars: **80 unique members** attendance. **Results: Three webinars were held** (not final at time of writing), **65 members attended** (not final at time of writing)

2. Participate in a minimum of 12 housing and/or economic development conferences conducted by third-party housing organizations throughout the district. These events may be virtual or in-person. **Result: Participated in 21 housing/economic development conferences** (not final at the time of writing).

IX. 2026 Goals

Lending

1. Commit **$3.5 million in Small Business Boost** funds to encourage small business lending throughout the district.
2. Increase Mission Oriented (CIP/EDP) Advance & LOC commitments, in dollars, to members **by 10% over 2025 results**.
3. The **SHARE Advance program** is expected offer advances for a term of up to 1 year, with a significant discount on the borrowing rate if the member certifies that the advance will be used to finance the construction of housing that is affordable to households with income at or below 80% of median income. The Bank's Objective is to support the creation of **895 units of affordable housing** through this program.

Member Engagement & Impacting the Supply of Affordable Housing

1. Receive and approve **AHP General Fund** applications that will support the creation and/or preservation of **2,400 affordable housing units**.

2. Support the preservation of **2,350 units of affordable rental housing** through the **FORTIFIED Fund – Rental grants** to promote resilience to future disasters and support member's community activity throughout the district.

3. Receive applications from a minimum of **70 unique members** for **Partnership Grant Program** applications to help support the operating needs of small community-based organizations performing housing and economic development work in their community.

Outreach and Education

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

   a. In person events: **50 unique members** attendance
   b. Webinars: **60 unique members** attendance

2. Participate in a minimum of **13 housing and/or economic development conferences** conducted by third-party housing organizations throughout the district. These events may be virtual or in-person.

X. 2026 Initiatives

1. Continue to prioritize FORTIFIED construction and FORTIFIED roof installation throughout the Dallas District. FORTIFIED projects may be supported by the AHP General Fund, the FORTIFIED Owner and Rental Funds and the Disaster Rebuilding Assistance program.

2. To improve member utilization of the CIP/EDP programs through sales and marketing efforts to members.

3. Continue to establish the Pathway Fund as a leading resource in the District to resolve Heirs'

Property Rights issues.

4. Continue targeted outreach to Tribal Housing Entities in the district, the New Mexico Tribal Homeownership Coalition, the New Mexico MFA and other relevant organizations about the benefits of the AHP in supporting affordable housing on native lands.

5. Respond to the needs of our members' communities if a major natural disaster occurs. This includes the modifications made to the Small Business Boost Program in response to the July 2025 flooding in central Texas.

XII. Conclusion

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

Lending: The advance programs along with the FHLB Dallas Small Business Boost program provide members with low-cost financial options to support small businesses and economic development throughout the FHLB Dallas district. The programs address the identified Economic Development needs of stabilizing Small Business, support for vulnerable workers and support workforce development by providing members with multiple options to fund small business lending. The FHLB Dallas plans to further innovate in 2026, by creating a new subsidized advance known as SHARE 2026, to further support member financing of new affordable housing.

Member Engagement and Impacting the Supply of Affordable Housing: Having a wide variety of members enrolled in and utilizing the FHLB Dallas Community Investment programs increases the opportunity to more broadly address the range of needs identified in the FHLB Dallas District Needs Assessment. Continuing to engage our membership with the HELP program promotes sustainable homeownership by supporting lending to first time homebuyers, while member engagement in DRA and SNAP helps address the identified needs to keep people housed and support accessible housing. Maintaining the objective metrics to include member engagement and utilization with the AHP General Fund and the AHP Homeownership Set-Aside Programs helps address the need to support affordable housing in the district. In 2025, The Bank introduced two new voluntary Community Investment programs. One targeted the needs of State Housing Finance Agencies in the District with grants to support training and education for housing practitioners, homebuyers and housing developers. The second new program is an extension of the FORTIFIED Fund established in 2023. In 2025, the Bank opened the FORTIFIED Fund – Rental program to subsidize the installation of FORTIFIED roofs on existing multifamily rental properties owners by local housing authorities. Both programs will be offered in 2026 and are described previously in the plan.

Outreach and Education: Education and outreach to our members and their community members are important to the success of our programs in addressing the needs in the FHLB Dallas district. With regard to disaster resiliency, our ability to effectively communicate and deliver assistance to our members on a timely basis is critical whether through the DRA or DRP programs or a more tailored approach

to each event such as the Housing Recovery Grant program that assisted member employees that are harmed by major storms or the Small Business Recovery Grant program utilized by members after flooding and wildfires in New Mexico in early 2025.

The FHLB Dallas also supports the financial education of low- to moderate-income people by not only supporting non-profit organizations that provide this training through the Partnership Grant Program, but also by providing funds to support homebuyer education via the HELP program. Financial education is an important part of improving access to traditional financial services for low- to moderate-income people.

The FHLB Dallas is also committed to improving climate resiliency of affordable housing in our five state district. The Bank has utilized webinars effectively to promote the use of these grant programs while educating our members and potential recipients on the benefits of FORTIFIED roof construction.

Resilient Housing: There is a longer-term need to promote resilience to help mitigate the impact of future natural disasters. To help facilitate this, the Bank continued to offer a resilient housing scoring element in the AHP General Fund for 2025 and will maintain it in 2026. Within the FHLB Dallas District Priority, scoring for Resilient Housing, includes points for qualified housing projects built to the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED building standard. FORTIFIED is a certification designed to minimize damage from a Category 3 hurricane such as those from Hurricane Ida that struck Louisiana in 2021. This standard includes a highly engineered roof system and a continuous load path which ties the structure of the house together and redistributes extreme wind to the foundation of the building. Les Maisons de Bayou Lafourche is an affordable rental housing project located in Lockport Louisiana that was struck by Hurricane Ida. This property, which received the first FORTIFIED Multifamily™ designation ever issued by the IBHS, was funded in part by an FHLB Dallas AHP subsidy. In seeing the successes of Les Maisons de Bayou Lafourche with handling the winds of Hurricane Ida, the FHLB Dallas determined through additional research that incenting and supporting the implementation of the FORTIFIED standard with the AHP General Fund scoring was an important step in promoting resiliency in the face of future natural disasters that may impact the Dallas district. In 2024, the FHLB Dallas continued and expanded its voluntary program to support the construction and retrofitting of owner-occupied homes to be certified under the FORTIFIED Roof designation. We believe that building stronger affordable housing structures via FORTIFIED will help those who can least afford to lose their homes to quickly return to their homes after a natural disaster.

In 2025, the FORTIFIED Fund – Owner, received nearly $10 million in requests to support new roofs on over 691 homes, up from 302 homes in 2024. This program will be continued in 2026.

In the spirit of the Federal Housing Finance Strategic Plan, the FHLB Dallas is committed to helping ensure that the AHP General Fund provides subsidies to all five states in the Dallas district. As such, in 2025, the FHLB Dallas continued to offer additional scoring for AHP General fund applicants with projects located in the states of New Mexico and Arkansas. In 2025, this scoring criteria led to four AHP General Fund application approvals in New Mexico and five AHP General Fund application approval in Arkansas. The FHLB Dallas expects to maintain the scoring for this factor in 2026 based on these results. A chart with this AHP award data is provided as an exhibit to this plan.

In 2026, FHLB Dallas also plans to require recipients of Disaster Rebuilding Assistance (DRA) grants for roof replacement, to install a FORTIFIED Roof on their home. Improving the quality and resiliency of homes in the district is important to the long-term community vitality in the district. As noted previously, the DRA is an AHP Homeownership Set-Aside Program.

As the need for energy efficient housing remains, the FHLB Dallas continues to incent the construction of energy efficient and green building by recognizing a number of key green building and energy efficiency designations in the 2026 AHP General Fund scoring. This type of construction not only helps save residents money on utility costs but may also have positive environmental impacts. These designations are utilized by at least one of the five state housing agencies' Qualified Action Plans (QAPs) in the district so that affordable housing developers throughout the district can better coordinate their AHP General Fund application with the energy efficiency priorities of their state HFA.

Lastly, the FHLB Dallas will address the needs for affordable rental housing via the AHP General Fund and the FORTIFIED Fund - Rental grant program. The FHLB Dallas in consultation with its Affordable Housing Advisory Council has established aspects of the 2026 AHP General Fund scoring criteria to further support this need. First, the Implementation Plan provides points in the FHLB Dallas District Priority section for rental housing projects. To address the need for housing the homeless in the district, the FHLB Dallas chose to continue a scoring category for homeless housing for 2026. The FHLB Dallas also recognizes that the cost of developing affordable rental housing is increasing. As such, the FHLB Dallas in also maintaining a high maximum AHP award per project. Details of these changes may be found in the FHLB Dallas 2026 AHP Implementation Plan located at *fhlb.com/community-programs*. In its first year of operation in 2025, the Fortified Fund – Rental grant program approved over $8.6 million in grants to ten local public housing authorities in the district to replace the roofs on just over 2,000 units of deeply affordable rental housing. The FORTIFIED Fund – Rental program will be offered once more in 2026.

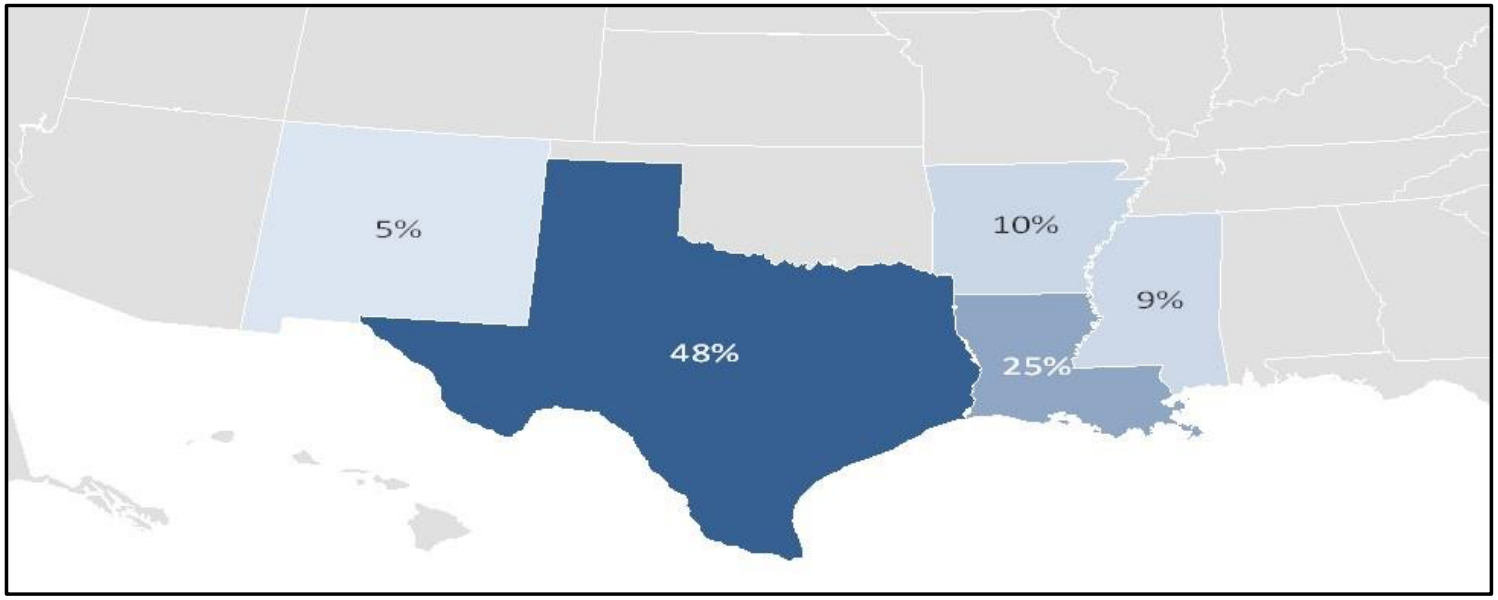
This Targeted Community Lending Plan was reviewed and approved by the FHLB Dallas Board of Directors on December 4, 2025.

FHLBANK
DALLAS

Approved AHP Applications by State: 2021-2025

FHLBANK DALLAS

State	Apps Approved 2025	Apps Approved 2024	Apps Approved 2023	Apps Approved 2022	Apps Approved 2021	Apps Approved 2020	Total	% of Total since 2020
Arkansas	5	1	11	2	2	2	23	10%
New Mexico	4	2	2	1	2	1	12	5%
Louisiana	11	11	10	9	4	12	57	25%
Mississippi	3	4	3	2	4	5	21	9%
Texas	29	23	17	11	10	18	108	48%
Out of Dist.	1	0	0	1	4	0	6	3%
Total	53	41	43	26	26	38	227	



Native American Presence in the District

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