FHLBank INDIANAPOLIS

2026

Targeted Community Lending Plan



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Table of Contents

- 1: BACKGROUND 1
- 2: MARKET NEEDS ASSESSMENT 1
- 3: COMMUNITY INVESTMENT PROGRAMS AND PRODUCTS 9
- 4. OUTREACH AND TRAINING 25
- 5: 2025 GOALS AND ACCOMPLISHMENTS 27
- 6: 2026 GOALS 32

1: Background

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

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

The CICA regulation defines community lending as "providing financing for economic development projects or activities for targeted beneficiaries." The Federal Home Loan Bank of Indianapolis' (FHLBank Indianapolis or the Bank) 2026-2028 Strategic Business Plan, the 2026 Affordable Housing Program Implementation Plan and this plan will provide a comprehensive approach to serving our members using all the FHLBank Indianapolis's products and services.

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

2: Market Needs Assessment

Introduction

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

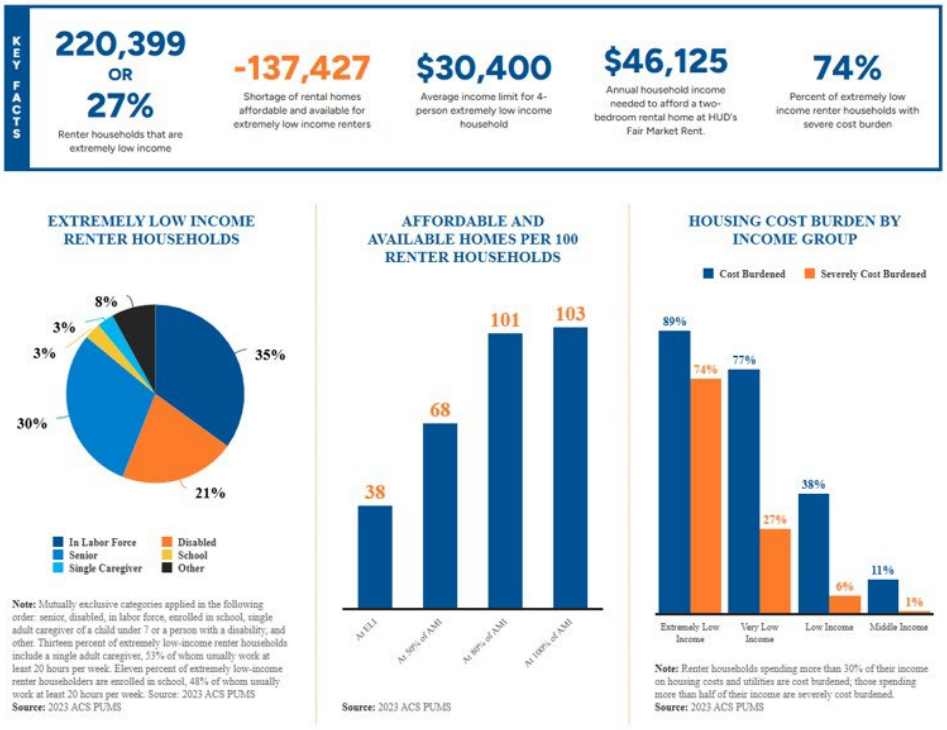
Housing Market Conditions

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

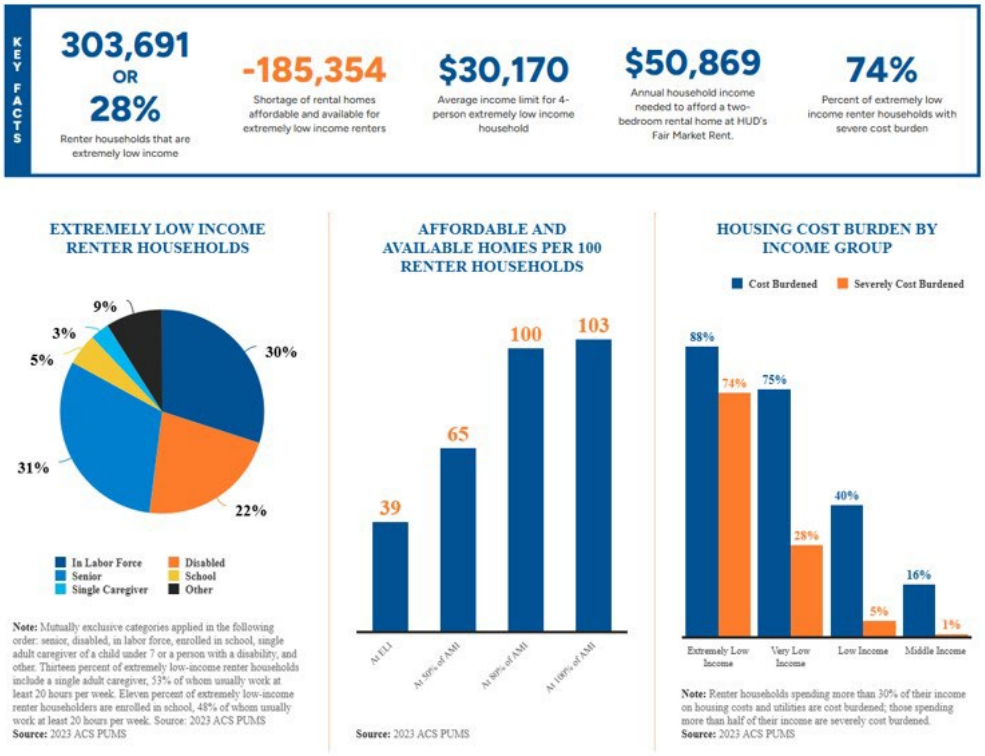
Low-income residents are now at greater risk of displacement and even homelessness because housing costs account for an excessive portion of their income, leaving little for other necessities like food and healthcare.

Nonprofit organizations and the public sector have more opportunities to revitalize undervalued areas through partnerships with private interests. However, reinvestment activity should preserve existing affordable housing to mitigate the threat of gentrification. Housing prices and construction costs have increased across the board throughout the U.S., including in FHLBank Indianapolis' district; nonetheless, average home prices remain less expensive in Indiana and Michigan than in most of the country. According to the Needs Assessment, America's housing market has become so expensive for the average household that the Midwest may benefit from its portion of affordably priced homes by attracting new residents outpriced in their hometown markets. However, this can cause even larger constraints on the district's low-moderate income families as there continues to be a significant shortage of affordable and available units for households at the lower range of the income scale, as shown below in the National Low Income Housing Coalition's Housing Needs by State report. The report indicates an overall shortage of 322,781 rental homes in the district that are affordable and available for extremely low-income renters, defined as those earning less than 30% of Area Median Income (AMI) and not paying more than 30% of their income on housing.

Indiana's Housing Needs by State report from the National Low Income Housing Coalition, 2025



Michigan's Housing Needs by State report from the National Low Income Housing Coalition, 2025



Affordability

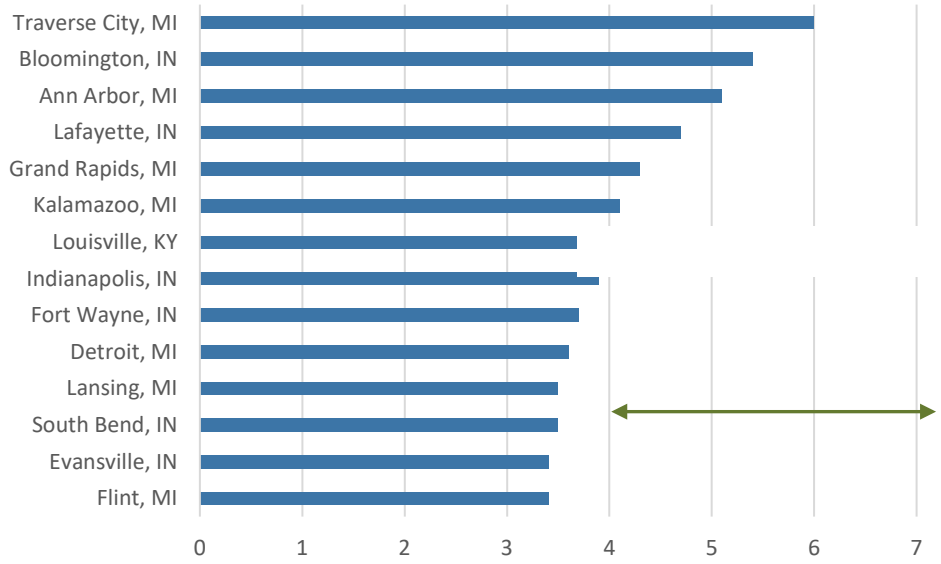
Between 2019 and 2023, the average home price in the U.S. increased 48% and the typical rent increased 30%, according to Zillow, ZVHI and ZORI databases. Average wages also rose during this same time (11% increase), but not enough to keep up with housing prices, as shown in the American Community Survey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

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

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

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

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



Sources: ACS 2017-2021 and Zillow ZHVI

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

Nonprofit organizations surveyed for the Needs Assessment are reporting first-time homebuyer program participants are being priced out of the market. Additionally, tenant advocacy groups who shared during focus groups for the Needs Assessment are decrying extreme rent hikes as a means of gentrification. According to the Fair Housing Center of Central Indiana's 2022 report, "The State of Fair Housing in Indiana — Our Changing Neighborhoods: The Impact of Investors, Foreclosures and Mortgage Lending," more than half the home mortgages underwritten in neighborhoods surrounding downtown Indianapolis were for households that earned twice the neighborhood median income.

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

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

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

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

Construction Costs in Market Areas within the District, 2022

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

Source: RS Means

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

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

Rehabilitation of existing homes may be a more viable solution for increasing affordable housing stock. Detroit Future City analyzed development costs for community-driven home rehabilitation programs in the city. Among nine case studies from Detroit Future City and Enterprise Community Partners, "Rebuilding Home: Community-Driven Single-Family Rehabilitation Models for Long-Term Stability," Oct. 2020, found that home rehabilitation costs per square foot were 30%-50% lower than new construction.

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

Evictions

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

According to the National Low Income Housing Coalition, "Children Face Highest Risk of Eviction," Oct. 10,

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

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

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

Heirs' Rights

When an owner passes away without a formal will or without a clear title to the home, the rightful heirs face a litany of challenges to take ownership. This impacts households who are less likely to have an estate plan and are less likely to have clean title on their home, according to the Economic Policy Institute.

According to the report "Turning Legacy into Opportunity: Overcoming Inherited Property Obstacles in Marion County & Allen County, IN," published by Black Onyx Management and commissioned by FHLBank Indianapolis, heirs' property issues present significant challenges for many families, particularly in rural and historically marginalized communities. These properties — often passed down informally through generations — create complex legal dilemmas because ownership is typically divided among numerous heirs who may not all be identified or in agreement on how to manage or dispose of the land. The lack of a clear title can prevent property owners from accessing financing, grants or government assistance, and it leaves the property vulnerable to forced sales and land loss through partition sales.

Heirs without a deed are often required to hire legal counsel to research and resolve title issues and file the necessary paperwork in probate court. Heirs with limited financial resources are hard-pressed to afford attorney fees that can be upwards of $5,000. Often, the heirs take physical possession of the home without legal possession. Additionally, homeowners without a clean title are not eligible for a variety of federal assistance programs. They are barred from receiving CDBG home repair assistance and disaster relief after a major disaster. They do not qualify for the homestead exemption and pay more in property taxes. They also cannot take out a loan on the property to fund repairs or start a business.

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

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

The above-mentioned report from Black Onyx Management found 1,894 confirmed heirs' properties at an estimated value of $258M and an additional 4,706 properties categorized as "at-risk" with an estimated aggregate value of $826 million in Marion and Allen Counties.

Individuals and Families Experiencing Homelessness

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

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

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

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

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

Recommendations

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

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

District Tribal Communities

The FHLBank Indianapolis district is home to 12 federally acknowledged Native American tribes with sovereign governments that exercise jurisdiction over their members and territory. All of these are in

Michigan, while Indiana does not have any federally declared tribes with tribal land located within the state's borders. The following 12 tribal government units have housing-associated authorities, departments or committees. They all promote, support and run a variety of housing programs, with the majority serving needs related to rental payments, energy and utility assistance, home repair and renovations, down payment assistance and homeownership counseling.



Source: Central Michigan University

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

As of November 24, 2025, there were three certified U.S. Department of Treasury Native Community Development Financial Institutions (CDFIs) in the district, all located in Michigan. At least 50% of their activities are directed toward serving Native Americans. Lake Superior Community Development Corporation, a Native-certified CDFI, is currently a member of FHLBank Indianapolis and originates from the L'Anse Reservation in the Upper Peninsula of Michigan.

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

- Partnerships to help address housing needs
- Available and affordable housing units of all types
- Permanent supportive housing
- Availability of land to address housing needs
- Additional funding for high housing construction costs
- Qualified match funding to access resources
- Legislative protections from predatory landlords
- Funding that supports rural development obstacles

- Larger housing units to house multiple generations and/or caregivers
- Availability of trade professionals to build housing

Community Development Financial Institutions (CDFIs)

As of December 2, 2025, FHLBank Indianapolis' membership comprises 354 financial institutions. This includes 160 banks and thrifts, 146 credit unions, 43 insurance companies and 5 community development financial institutions (CDFIs). Since FHLBank Indianapolis is cooperatively owned by its members, it is a primary goal that all members be able to participate in supporting their communities with resources the Bank provides. While all member types play key roles in assisting their communities, CDFIs are nonprofit financial institutions that promote access to capital and local economic growth specifically to underserved and/or low-income communities. According to the Opportunity Finance Network's Annual Member Survey in 2023, nationally, 85% of CDFI lending was to low-income communities, 66% of borrowers are people of color and 26% of lending is invested in rural communities.

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

Non-depository (ND) CDFI members face challenges doing business with FHLBanks. CDFIs have found it especially difficult to access FHLBank products and services due to regulatory requirements related to collateral eligibility, collateral haircuts, and risk modeling. In addition to challenges around accessing FHLBank capital, the Federal Reserve notes in its 2025 CDFI Survey that "most CDFIs saw rising demand for their products across all business lines in 2024 largely driven by new customers seeking consumer, small business and residential real estate development loans through CDFIs. However, lending and operational capital remain acute challenges for loan funds." CDFIs source funds largely from banks, which has resulted in reduced levels of lending as well as higher payments for borrowers.

As reported by the CDFI Fund, at the start of 2016, the average asset size of all ND CDFIs was $27 million, while the median asset size was four times lower at $7 million, suggesting a distribution of small or very small institutions dominated by a relatively small number of larger regional and national CDFIs. Across the FHLBank system, ND CDFI members tend to be larger than the typical ND CDFI. However, three out of the five member CDFIs had asset sizes of less than $35 million and one of over $100 million.

3: Community Investment Programs and Products

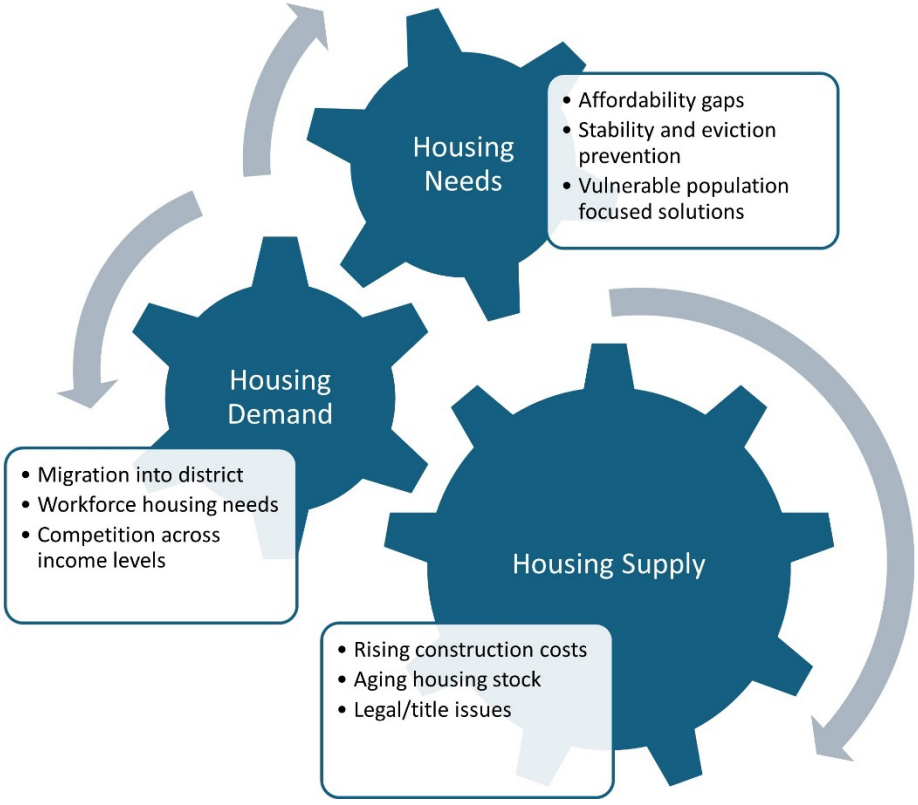
The member financial institutions of FHLBank Indianapolis drive the mission, vision and values of the organization, as partnership with them is the reason FHLBank Indianapolis exists. Each member is embedded into their own community in vastly different ways across the district and it is FHLBank Indianapolis'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

FHLBank Indianapolis strives to address the interconnected challenges of housing supply, housing demand and housing needs through robust program and product options to help member financial institutions assist local communities with affordable housing and community economic development needs.

Interconnected Impacts on Housing Supply, Demand and Needs

The Needs Assessment highlights critical factors shaping the housing landscape in Indiana and Michigan and demonstrates how these issues are deeply interconnected. Rising prices, aging housing stock, development barriers, eviction trends, heirs' rights challenges, homelessness, tribal housing needs and CDFI capacity all influence housing supply, housing demand and housing needs in ways that compound one another. Limited supply from escalating construction costs and loss of "naturally affordable" units constrains options for low- and moderate-income households, while migration and workforce pressures intensify demand in markets already facing affordability crises. These dynamics create urgent needs for preservation, rehabilitation and innovative solutions to stabilize prices, expand access to homeownership and provide supportive housing for vulnerable populations. Together, these findings underscore the complexity of the housing ecosystem and the necessity of coordinated strategies to address supply shortages, meet growing demand and fulfill critical housing needs.

How FHLBank Indianapolis District is Impacted by Housing Supply, Demand and Needs



Stepping Up

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

committed an additional 7.5% of its net earnings to affordable housing and community development initiatives.

As indicated throughout this report, the need to address housing affordability in the district continues to broaden. That is why FHLBank Indianapolis continued to step up its investment in 2025 and, in addition to the required 10% allocation, will contribute an additional 7.5% in 2026, for a total allocation of 17.5% of 2025 net earnings. This increased investment will help address housing supply and community development for vulnerable and underserved communities throughout the district. The additional impact made by Stepping Up investments in 2025 and the opportunities forthcoming in 2026 are highlighted in this section.

Competitive Affordable Housing Program (AHP)

FHLBank Indianapolis allocates 65% of its total affordable housing allocation to the competitive Affordable Housing Program (AHP). This program offers grants to FHLBank Indianapolis member financial institutions (members) and housing providers and developers (sponsors) to help fund acquisition, construction or rehabilitation of properties that will provide affordable housing. Funds are awarded through an annual competitive application process. In response to the significant increases in construction and labor costs over the past several years, the maximum grant amount will remain at $1 million in 2026. AHP awards support a multitude of affordable housing supply for veterans, people with disabilities, young adults transitioning out of the foster care system and many others.

2025 AHP Funding Round

APPLICATIONS	# OF PROJECTS	# OF UNITS	AHP SUBSIDY REQUESTED
Homeownership	23	272	$14.0M
Rental	107	5,509	$88.3M
Total	130	5,781	$102.3M

AWARDS	# OF PROJECTS	# OF UNITS	AHP SUBSIDY FUNDED
Homeownership	3	21	$2.1M
Rental	38	1,464	$30.5M
Total	41	1,485	$32.6M

As the tables above illustrate, demand for AHP grant funding continues to far exceed the allocation available from FHLBank Indianapolis. In 2025, FHLBank Indianapolis awarded $32.6 million in AHP grants to 41 projects. Three awards went to homeownership projects, while the remaining 38 projects were a form of rental housing. Most projects were developed by nonprofit organizations and all funded

homeownership projects are being developed by nonprofit sponsors. All homeownership projects are also being developed in stabilizing neighborhoods, meaning projects include an element of preservation, infill development, blight elimination, main street revitalization, promotion, or preservation of homeownership and/or are in a targeted investment area. The majority of homeownership projects serve low-income areas. Most awarded rental projects provide housing for extremely low-income individuals (households under 30% AMI). Additionally, over half of awarded projects serve a special needs population and 24% of projects serve housing for the homeless. Twenty-seven percent of all rental projects were in rural areas of the district, whereas no awarded homeownership projects were in rural areas.

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

The Affordable Housing Program (AHP) helps address housing supply, demand and needs issues in the following ways:

HOUSING SUPPLY	Expanding housing supply in both urban and rural areas by creating and preserving units of affordable housing.
HOUSING DEMAND	Responding to strong demand strategically through competitive funding ensures projects with greatest impact and alignment with community needs are prioritized and leveraging member contributions helps meet demand beyond the Bank's allocation.
HOUSING NEEDS	Meeting specialized housing needs for vulnerable populations serving special needs populations and addressing homelessness.

SUPPORT FOR 2026 I-PLAN ADJUSTMENTS

As the 2025 AHP round was analyzed, program adjustments were identified and have been incorporated into the 2026 Implementation Plan, including:

- **Homeownership projects:** Homeownership projects are difficult to fund with AHP funds due to scoring categories that favor rental projects. Therefore, each scoring category was evaluated to determine if both homeownership and rental projects could be eligible to receive points in every category. Based on this analysis, the scoring category for "Rental Housing for Extremely Low-Income Individuals" is the only category in which homeownership projects cannot compete for points. This two-point scoring category will be removed. However, projects serving extremely low-income populations are still eligible and incentivized to receive points in the following categories:
    - *Targeting* (Extremely low-income units contribute to maximizing these points)
    - *Supportive Housing for the Homeless*
    - *Supportive Housing for Persons with Special Needs*
- **Replace Main Street Revitalization with Adaptive Reuse:** The Main Street Revitalization category has been underutilized, with only one project earning points since 2020. In contrast, Adaptive Reuse projects — repurposing existing or historic structures — are growing in importance and complexity. This change encourages preservation and reinvestment in community assets while recognizing the higher costs associated with such developments.

- **Replace Blight Elimination with Infill Housing:** The current Blight Elimination criteria has seen limited participation, as it requires recent demolition and a minimum share of infill units. The new Infill Housing category broadens eligibility to projects that create new housing on vacant or underused sites within established neighborhoods, supporting efforts to revitalize communities and expand affordable housing options.
- **Large Scale Development:** A new scoring category will incentivize projects with higher unit counts, to assist with addressing housing supply issues within the district. Thresholds will vary for rural and urban developments to reflect market differences.

Homeownership Set-Aside Programs

FHLBank Indianapolis continues to contribute the maximum allowable amount (35% of its housing allocation) for grants accessed by our members to help make homeownership a reality for their low-moderate income customers. Two different programs are offered to help meet low-moderate income homeowners' needs throughout the lifecycle of homeownership. New in 2025, these set-aside programs each had their own funding allocation of $9.8 million to address homeownership and home repair needs separately. Both ran as unique, individual programs rather than the total set-asides funding being available to all needs on a first-come, first-served basis.

Additionally, in 2025, the Bank rebranded the two homeownership program names to improve marketing and brand identity. The previous Homeownership Opportunities Program (HOP) was rebranded to Launch – Down Payment Assistance and the previous Neighborhood Impact Program (NIP) was rebranded to Revive – Home Repair Grant. The name refresh was accompanied by several program changes that incorporated users' feedback to address access to the programs, which included:

- Reducing the member cap to help expand the timeframe of available funds, which allowed for broader member participation
- Introducing a rolling allotment of funds available on a monthly basis to participating member financial institutions
- Limiting the grant funds to 20% of the purchase price, or up to $20,000, whichever is less
- Removing repairs that required assessments at project completion from the list of eligible repairs under the grant
- Modifying the list of eligible repairs that addressed livability in the home

The Launch – Down Payment Assistance program opened on April 15, 2025, with an initial release of $200,000 per participating member along with two subsequent releases of $200,000 each with each member limited to $600,000 in annual Launch funds. Launch funds were fully exhausted by July 3rd. The Revive – Home Repair Grant program opened on May 15, 2025, also with an initial release of $200,000 per participating member along with two subsequent releases of $200,000 each with each member limited to $600,000 in annual Revive funds. The entire allocation of Revive was fully exhausted by July 3rd. Additionally, to ensure more members could access funds, a Second Chance Round opened Sept. 17, 2025. $3.3M was made available through the Second Chance Round to any member institution who received less than $100,000 during the earlier round of Launch or Revive. Participation was capped at $100,000 per member, inclusive of early round totals.

2025 SET ASIDE PROGRAMS	TOTAL AWARDED	# OF HOUSEHOLDS ASSISTED	MAXIMUM AWARD	AVERAGE HOUSEHOLD INCOME
Launch	$10M	523	$20,000	$47,922
Revive	$10.4M	794	$15,000	$32,019
Total	$20.4M	1,317	N/A	$36,579

Launch – Down Payment Assistance

The Launch – Down Payment Assistance program provides grants to help low-moderate income, first-time home buyers with down payment and closing cost assistance. First-time homebuyers partner with member financial institutions to apply. To qualify for the grant, a homebuyer must be at or below 80% of local AMI, contribute at least $500 towards the purchase of the home and complete a homebuyer counseling course. In addition, their housing debt cannot exceed 40% of the total household gross income.

As the table above illustrates, a total of 523 first-time homebuyers were assisted with Launch funding in 2025. On average, these homebuyers earned 62% AMI. The average contract sales price for homes being purchased with assistance from Launch was around $157,000 with the average mortgage around $136,000 and an average housing debt to income ratio of 27%.

The Launch – Down Payment Assistance Program helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Supports housing supply indirectly by facilitating the purchase of existing homes, helping maintain market turnover and occupancy.
HOUSING DEMAND	The program stimulates housing demand among income-qualified buyers who otherwise could not afford a home.
HOUSING NEEDS	Directly meets the needs of income-constrained households who cannot otherwise enter the homeownership market.

SUPPORT FOR 2026 I-PLAN ADJUSTMENTS

Data supports continuing the program without structural changes. In an effort to promote continuity for members, the program will not have any changes in 2026.

Revive – Home Repair Grant

The Revive – Home Repair Grant provides grants of up to $15,000 to help low-moderate income homeowners with deferred maintenance home repairs. The majority of homeowners partner with a community organization that helps them apply through a member financial institution. To qualify for the

grant, the household must be below 80% AMI, must be current on the existing mortgage obligation, and the home must be a single-family home, condo or modular unit.

As the table above illustrates, a total of 794 homeowners were assisted through Revive. On average, these households earn around $32,000 a year. Most repairs made with Revive funds were related to roofing, windows, or HVAC with 61% of assistance requests made for one of these repairs alone. The highest average cost of repairs was roofing and siding while the lowest average cost of repairs was relocating the washer/dryer to the main level and water heaters.

MOST POPULAR REVIVE REPAIRS IN 2025		HOUSEHOLDS RECEIVING REPAIRS
1.	Roofing/Chimney	40%
2.	Windows	34%
3.	Repair/Replace HVAC	17%
4.	Gutters/Downspouts	15%
5.	Exterior Doors	15%

HIGHEST COST REPAIRS (BASED ON AVERAGE COST)		
1.	Roofing	$11,740
2.	Siding	$10,839
3.	HVAC	$9,440
4.	Entry Ramps	$9,092
5.	Windows	$9,091

LOWEST COST REPAIRS (BASED ON AVERAGE COST)		
1.	Water heater	$2,612
2.	Relocate Washer/Dryer to Main Level	$2,813
3.	Exterior Doors	$4,604

4.	Mold/Mildew Remediation	$5,045
5.	Well/Septic System	$8,990

The Revive – Home Repair Grant program helps address housing supply, demand and needs issues in the following ways:

HOUSING SUPPLY	Helps preserve existing housing stock by funding essential home repairs for low- to moderate-income homeowners, preventing deterioration and vacancy.
HOUSING DEMAND	Sustains demand for stable housing and strengthens neighborhood stability by enabling homeowners to maintain and remain in their homes.
HOUSING NEEDS	Addresses critical homeowner needs by covering costly repairs like roofing, HVAC and accessibility modification that ensure safety and livability.

SUPPORT FOR 2026 I-PLAN ADJUSTMENTS

Data supports continuing the program without structural changes. In an effort to promote continuity for members, the program will not have any changes in 2026.

Community Impact Advance

In 2025, the Bank rebranded the Community Investment Program (CIP) Advance program name to improve marketing and brand identity. The previous CIP Advance was rebranded to Community Impact Advance. This advance program offers FHLBank Indianapolis members access to at-cost loans and letters of credit to support affordable housing and community economic development activities that benefit low-moderate income families or neighborhoods. These funds are used to develop affordable housing and support local job creation. Members use Community Impact Advances and letters of credit because they are a cost-efficient way to borrow long-term funds for their local economic development needs. When a member uses the Community Impact Advance, it is priced at the cost of funds for similar maturities plus a small markup meant to recoup administrative costs. Members work closely with Community Investment and Business Development staff to ensure the project demonstrates that utilizing the Community Impact Advance will benefit the community in a tangible way by providing either affordable housing, jobs or other benefits that come from economic development.

In 2025, FHLBank Indianapolis members used advances from the Community Impact Advance totaling $233.7 million to fund projects across the country. These advance products were equally used to support affordable housing developments, mortgage portfolio funding and economic development funding.

The Community Impact Advance helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Increase the number of affordable units through financing.
HOUSING DEMAND	Makes housing financially accessible, encouraging uptake
HOUSING NEEDS	Targets underserved populations and neighborhoods.

SUPPORT FOR 2026 I-PLAN ADJUSTMENTS

No adjustments to the Community Impact Advance program are anticipated in the 2026 Implementation Plan.

Community Support Program (CSP)

The Federal Housing Finance Agency adopted regulations establishing standards of community investment or service for FHLBank members, who must comply with these standards to maintain access to an FHLBank's long-term advances, and to continue their participation in an FHLBank's Affordable Housing Program (AHP) and other Community Investment Cash Advance (CICA) programs. These standards consider a member's Community Reinvestment Act (CRA) record and lending to first-time homebuyers. By regulation, each FHLBank member, if subject to CSP review, must submit a completed Community Support Statement (CSS) once every two years. In 2025, FHLBank Indianapolis collected CSS from members, with four members not meeting the full requirements. These members will be eligible again once their FHFA's determination results have been addressed. FHLBank Indianapolis will ensure completion of the Community Support Program again in 2027.

Voluntary Programs

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

SUPPORT FOR 2026 PROGRAM ADJUSTMENTS

As mentioned previously, FHLBank Indianapolis is stepping up its community investments by 7.5% over the required 10% of 2025 net earnings. The Needs Assessment identified several opportunities for the Bank to consider investing to help support housing supply and community needs in the district. All voluntary programs listed in this section will be offered in 2026. Each will address housing supply, housing demand and housing needs in a variety of ways indicated below each program.

Elevate Small Business Grant

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

Indiana or Michigan, must have been in business for at least 12 months and must have revenue under $1 million.

Elevate continues to be a popular Community Investment program offering. In 2025, the Bank reframed the program to allow all members who desired to participate to receive funding if all requirements were met. With this new approach, the program experienced the greatest number of member financial institutions participating to date. Seventy members supported 100 small businesses with grants ranging between $10,000-$20,000 for a total of just over $1.3 million. The majority of projects included plans for operational expenses, machinery or equipment purchases, workforce development, technology enhancements and facility improvements, as well as business expansion.

SUPPORT FOR 2026 PROGRAM ADJUSTMENTS

Given the housing supply issues facing the district, the program is exploring incentivizing housing-focused businesses as a program priority. The Bank will continue to offer this program to allow all members to participate in the program by ensuring all eligible applicants are funded, subject to the identified limit and availability of funds.

With the 2026 program adjustments, the Elevate Small Business Grant will help address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Supporting housing-related businesses that play necessary roles in addressing housing supply issues.
HOUSING DEMAND	Strengthening housing-related businesses could impact lower costs for housing projects with potential to stimulate demand.
HOUSING NEEDS	Opportunity to increase construction trade skilled labor availability, reducing bottlenecks in housing development.

Community Multiplier – Member Match Grant

The Needs Assessment identified several opportunities for the Bank to consider investing to help support housing supply and community needs in the district. To address additional housing supply and community investment areas identified in the Needs Assessment, the Bank developed and offered the Community Multiplier – Member Match Program in 2025 to help address:

- **Emerging developers** – real estate developers who have not previously been funded by FHLBank Indianapolis and are new to the industry
- **Housing supportive services** – services that assist with increasing stability of housing such as case management, healthcare, mental health care, substance abuse counseling, job training, employment support or child welfare
- **Housing counseling** – programs that provide tools for current and prospective homeowners to make responsible and sustainable choices through educational assistance
- **Affordable housing industry career development** – programs that build skillsets for the varied career paths that support affordable housing
- **Operational funding for targeted affordable housing organizations** – operational funding for

affordable housing organizations that are working in a rural county (as defined by USDA) and/or have not previously received AHP funding from FHLBank Indianapolis

- **Community land trusts** – community-driven organizations that buy and manage land to keep it affordable for residents

Community Multiplier is a flexible grant program designed to facilitate member financial institutions' community-level support of key housing priority areas identified by the Needs Assessment that are outside of programs and products already offered by the Bank. FHLBank Indianapolis provides matching grants to member financial institution's investments supporting the areas listed above.

In 2025, FHLBank Indianapolis launched the program by offering grants of $25,000-$125,000 to nonprofit organizations via members, who then contributed a minimum 10% match to the requested amount. The member had to partner with a nonprofit 501c3 based in Indiana or Michigan who demonstrated mission alignment to a Priority Area listed above. A total of $5.2 million was invested in this program, leveraging an additional $520,000 from member financial institutions, and supporting 82 nonprofit organizations.

The Community Multiplier – Member Match Program helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Expands affordable housing availability by funding emerging developers, supporting rural housing organizations and investing in community land trusts.
HOUSING DEMAND	Stimulates demand by educating prospective homeowners and strengthening community investment partnerships that make housing more accessible and desirable.
HOUSING NEEDS	Directly meets the needs of income-constrained households who cannot otherwise enter the homeownership market.

SUPPORT FOR 2026 PROGRAM ADJUSTMENTS

Reframing the program to allow all members who desire to participate to receive funding if all requirements are met.

Disaster Relief Program

The FHLBank Indianapolis opened the Disaster Relief Program to counties in Indiana and Michigan who experienced federal or state-declared disasters in 2025. To be more responsive and nimble to natural disasters, FHLBank Indianapolis continues to allocate a portion of voluntary dollars to be reserved for disaster relief in 2026.

The Disaster Relief Program helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Helps restore or repair homes damaged by disasters, preserving and stabilizing housing supply in affected areas.
HOUSING DEMAND	Sustains housing demand in disaster-impacted regions and prevents population displacement by enabling recovery and rebuilding.
HOUSING NEEDS	Addresses urgent housing needs by providing resources to communities where residents have lost or cannot access safe housing due to disasters.

PROGRAM CONTINUATION IN 2026

In 2026, FHLBank Indianapolis will continue to provide additional grant funding to support additional housing supply, demand and needs after a disaster is declared.

HomeBoost – Down Payment Assistance Program

Studies demonstrate that first-generation homebuyers often lack the financial support systems that come from family wealth, making it difficult to save for the significant upfront cost required to purchase a home, unlike their counterparts. Nearly 40% of recent homebuyers under age 30 used either a cash gift from a family member or an inheritance to afford their down payment, according to a report published by Redfin. According to a Federal Reserve's report, the median homeowning family has 38 times more wealth than the median renting family. According to a 2024 study published by the Urban Institute, the wealth gap between homeowners and renters has reached a historic high. "Over the past 33 years, the median wealth gap between homeowners and renters has increased by 70 percent while the average wealth gap increased more than 250%." In a separate study by the Urban Institute, these families without access to generational wealth often struggle to save for a down payment due to high rental costs, low wages and the absence of financial support from family members who themselves may not have accumulated home equity. First-generation homebuyer programs help fill these gaps. In 2025, HomeBoost – Down Payment Assistance provided maximum grants of $25,000 to those who:

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

In 2025, a total of 299 first-generation, first-time homebuyers were assisted with HomeBoost funding. On average, these homebuyers earned 79.75% AMI. The average contract sales price for homes being purchased with assistance from HomeBoost was around $199,000.

HomeBoost – Down Payment Assistance helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Increases housing supply by enabling first-generation buyers to purchase homes, reducing barriers to ownership and supporting market turnover.
HOUSING DEMAND	Stimulates housing demand among qualified buyers who would otherwise be unable to afford a home.
HOUSING NEEDS	Targets first-generation, low- to moderate-income buyers who lack generational wealth, helping them overcome down payment challenges.

PROGRAM CONTINUATION IN 2026

Data supports success supporting first-generation; first-time homebuyers with incomes at or below 120% AMI. In an effort to promote continuity for members, the program will not have any changes in 2026.

Tribal Nations Housing Development Assistance Program (TNHDAP)

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

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

Throughout 2024, MSHDA, along with the National American Indian Housing Council (NAIHC) and BeauxSimone Consulting, conducted three two-day training sessions. All 12 tribes participated in at least one of the in-person sessions, with at least eleven tribes represented at each one. FHLBank Indianapolis offered travel stipends so participants could cover the cost of travel and hotel-related expenses. Additionally, FHLBank Indianapolis presented the Community Investment programs and resources to the tribes. Several member financial institutions joined the October training to learn about ways they can support affordable housing development for tribal communities.

In October 2024, the TNHDAP released a pre-development grant application to tribes funded by the Bank. As of November 2025, 7 tribes have been awarded $675,000 in pre-development funding to support over 400 units of housing. Development project gap funding, also funded by the Bank, was made available to tribes in April 2025. As of November 2025, three tribes have been awarded just under $900,000 in gap funding to support 52 rental and homeowner units.

The Tribal Nations Housing Development Assistance Program helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Expands housing supply by funding new development and upgrades to existing homes within tribal communities in Michigan.
HOUSING DEMAND	By bridging financing gaps and supporting pre-development costs, the program enables tribes to move projects forward, increasing access and stimulating demand for affordable housing.
HOUSING NEEDS	Provides flexible resources to overcome barriers and meet the unique cultural and economic requirements of tribal nations.

PROGRAM CONTINUATION IN 2026

The program will continue throughout 2026 with plans to reconvene the tribes to discuss their respective housing pipelines and efforts.

Heirs' Rights

As mentioned in the Needs Assessment, heirs' rights issues and tangled titles often occur when a homeowner passes away without a formal will or without clear title to the home. The heirs asserting rights can face a litany of challenges to take ownership.

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

Addressing heirs' rights issues helps address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Helps preserve housing supply by resolving heirs' property issues that prevent homes from being maintained, transferred or redeveloped.
HOUSING DEMAND	Enables property transactions and financing, which stimulates housing demand and market activity by clarifying titles and ownership.
HOUSING NEEDS	Ensures families can secure clear ownership and remain in their homes.

PROGRAM CONTINUATION IN 2026

In 2026, FHLBank Indianapolis will continue to explore strategies identified in our research to support needs in Michigan and Indiana.

Rate Buydown Advance

As the Needs Assessment indicates, challenges exist in addressing housing supply, housing needs and housing demand. One way to address the challenges described above is to encourage FHLBank Indianapolis member institutions to build partnerships and financially support housing supply initiatives in their own communities.

With the 2026 program adjustments, the Rate Buydown Advance will help address housing supply, demand and needs issues in the following ways.

HOUSING SUPPLY	Expands housing supply by lowering borrowing costs for member institutions to finance housing development projects.
HOUSING DEMAND	By reducing financing costs for housing development, the program helps bring more affordable units to market, stimulating demand among income-qualified buyers and renters.
HOUSING NEEDS	Addresses housing needs by making it easier for members to fund projects that create homes for low- and moderate-income households.

SUPPORT FOR PROGRAM CREATION IN 2026

FHLBank Indianapolis plans to provide subsidized advances for our members so that, in turn, they can assist housing partners and developers with additional access to low-cost capital, thus creating new lending pipelines that will help address the housing supply needs in low- to moderate-income communities and beyond.

Rate Advantage Program

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

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

Elevated housing prices and correspondingly high HPI have significantly impacted the supply side of affordable housing units. However, borrowers have also been facing elevated mortgage rates. The 30 Year Fixed-Rate National Mortgage Average started to increase in early 2022 and crossed above 6% in September of that year, remaining above that level through 2025. These are levels not seen since 2008, significantly impacting mortgage application activity.

As part of FHLBank Indianapolis' affordable housing mission, the Bank implemented the Rate Advantage Program in August 2024 to help address mortgage rate affordability. This program is intended to

encourage members to create mortgage loans to low-income borrowers and make the loans more affordable by offering below market Note rates. This works by encouraging members to originate the below market rate loans and sell them through the Mortgage Purchase Program (MPP) with the Bank, offering a monetary incentive on a per-loan basis.

PROGRAM CONTINUATION IN 2026

In 2026, FHLBank Indianapolis will continue to explore strategies identified in our research to support needs in Michigan and Indiana with additional funding.

Money Masters Scholarship Program

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

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

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

PROGRAM CONTINUATION IN 2026

In 2026, FHLBank Indianapolis will continue to explore strategies identified in our research to support needs in Michigan and Indiana with additional grant funding.

Stepping Up Grant

The Bank contributed voluntary dollars that add up to $1.0 million to cover the last complete AHP award.

PROGRAM CONTINUATION IN 2026

In 2026, FHLBank Indianapolis will continue to provide additional grant funding to support additional housing supply, demand and needs.

FHLBank Indianapolis Fair Lending Statement

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

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

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

Compliance with this policy statement applies to:

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

4. OUTREACH AND TRAINING

2025 Outreach and Training

Successful execution of all the Bank's CID programs and products relies significantly on building partnerships with members and community partners. Depending on the audience, this requires several different marketing efforts, outreach and training opportunities. To understand the level of engagement a member needs, and to better direct the appropriate marketing, outreach and training, Community Investments tracks member utilization of programs and products. In 2025, 178 members indicated interest in participating in one or more Community Investment programs or products, which is a 23% increase from 2024. Of those, 140 received funding or took an advance.

With the goal to ensure all members are aware of and have the opportunity to participate in FHLBank Indianapolis' programs and products as shareholders, various outreach and training efforts were conducted in 2025 in collaboration with Community Investment staff, outreach partners and the Business Development department to achieve the following outcomes:

- Increase participation in CID programs: Outreach efforts focused on strengthening partnerships with municipal and state agencies and statewide trade associations and leveraging their networks, utilizing a CID investment mapping tool, collecting utilization data across members and prioritizing direct outreach accordingly.
- Educate and increase member and partner capacity: CID staff offered a variety of training sessions across all CID programs in 2025, including the large-scale networking events in each state along with presenting at regional member meetings with the Bank's Business Development team.
- Address district needs: The Bank offers a robust collection of voluntary programs, as described above, to help address district needs identified in the Needs Assessment.
- Expand presence in Detroit: The Bank continues to support its Michigan communities by leveraging the Detroit Hub office space to build and strengthen partnerships with local development teams, public agencies and CDFIs. Bank staff has worked to identify members interested in the City of Detroit market, as well as to connect nonprofit partners with members interested in allocating grant dollars within the city limits.
- Increase technology efficiency: Bank staff continue to increase efficiencies through the FHLBI.GIVES module for competitive AHP, Homeownership Initiatives, Elevate and Community Impact Advance.
- Enhance programs for members and partners: Bank staff continues to incorporate feedback received from members, sponsors, community partners and stakeholders that help enhance the program experience for all.

2026 Outreach and Training

The 2026 marketing, outreach and training strategy focuses on continually supporting members and helping them develop capacity and partnerships to utilize CID programs and products. The following illustration outlines the strategy Community Investment will follow to help achieve this.

INTRO TO CID	• Community Catalyst training series • One-on-one meeting requests (from members & community organizations) • Conference speaker opportunities
YEARLY PROGRAM UPDATES	• Community Investment Department workshops • Program rollout and update webinars
PROGRAM-SPECIFIC TRAININGS	• Application training • Member/applicant roles & responsibilities training • Reporting and requirements training • Technical assistance
NETWORKING OPPORTUNITIES	• Affordable housing networking • Roundtables • Specific events
FEEDBACK & CONTINUOUS IMPROVEMENT	• Focus groups and/or roundtables • Surveys

5: 2025 GOALS AND ACCOMPLISHMENTS

Lending

GOAL	Originate $150 million in CIP advances and letters of credit.
ACCOMPLISHMENT	In 2025 CIP was rebranded as the Community Impact Advance and totaled $233.7 million originations, all of which were advances.

GOAL	Enhance our community impact by increasing our Community Investment allocation by 7.5%
ACCOMPLISHMENT	In 2025, the Bank had a regulatorily required allocation of $40.3 million, or 10% of 2024 net earnings, which was disbursed through the Affordable Housing Program (AHP), Launch – Down Payment Assistance Program and Revive – Home Repair Grant program. The Bank voluntarily invested an additional $33 million, which is 7.5% of 2024 net earnings, and supported funding outlined under the Voluntary Grant Programs section above.

Member Engagement

GOAL	Ensure that 125-150 members are engaged with AHP, Homeownership Initiatives, small business grants and other voluntary programs.
ACCOMPLISHMENT	In 2025, 178 member financial institutions were engaged with Community Investment products, which is a 23% increase from 2024. This was achieved through member participation shown below.

Homeownership Registrations	Members Funded	Total Funding
129	99	$20.7M

HomeBoost Registrations	Members Funded	Total Funding
68	44	$7.5M

Elevate Applications	Members Funded	Total Funding
80	70	$1.36M

AHP Notice of Intent	Member Applications	Members Funded	Total Funding
49	45	24	$32.6M

Community Multiplier Applied	Members Funded	Total Funding
40	39	$5.2M

Community Impact Advance Members Funded	Total Funding
6	$233.7M

Total Members Engaged
178

Total Members Funded
140

GOAL	Implement re-branding and marketing strategies for CIP Advance and Homeownership Initiatives.
ACCOMPLISHMENT	Through collaboration with the Marketing, Communications and the Strategic Initiatives & Innovation Departments, analysis of existing branding was evaluated. In 2024, the team identified new program names that provide more options for marketing and brand identity and eliminate the use of acronyms, which on their own do not accurately or easily identify the programs. The new program names were publicly announced in early 2025 and included: • Launch – Down Payment Assistance • Revive – Home Repair Grant • Community Impact Advance

GOAL	Implement a voluntary initiative that matches member investments to meet targeted needs in the district.
ACCOMPLISHMENT	As described above under the Voluntary Programs section, the Bank launched the Community Multiplier – Member Match Program in Q1 2025.

Outreach and Education

GOAL	Provide at least 150 outreach meetings with members and community partners.
ACCOMPLISHMENT	Community Investment staff conducted a total of 200 outreach meetings through: • **75 member meetings** where Community Investment programs and products were discussed, with focus on how the member could build partnerships to participate in Community Investment funding. These meetings were generated through Business Development leads, Outreach Partner leads, Community Investment staff leads and member inquiries. • **125 community partner meetings** where Community Investment programs and products were discussed. These conversations focused on an introduction to the FHLBank System and FHLBank Indianapolis, how to participate in Community Investment funding and how to build partnerships with FHLBank Indianapolis members. These meetings were generated through Outreach Partner leads, Community Investment staff leads, member introductions, statewide partnership introductions, AHAC, Board and other staff leads and general inquiries.

GOAL	Participate in a minimum of 65 housing and/or economic development conferences by sponsoring, attending, hosting or presenting.
ACCOMPLISHMENT	Community Investment staff attended a total of 88 housing and community economic development conferences including, but not limited to, the following partner events: • Prosperity Indiana • Opportunity Finance Network • Affordable Housing Association of Indiana • Fair Housing Center of Michigan • Urban Land Institute • FHLBank System Events • Indiana Housing and Community Development Authority • Michigan State Housing Development Authority • CRA Associations • Bankers Association • CEDAM – Community Economic Development Association of Michigan • Habitat for Humanity • Coalitions Against Homelessness • Balance of State Continuum of Care • CSH – Corporation for Supportive Housing • Interagency – OCC, FDIC and Federal Reserve

GOAL	Broaden partnerships with members and community partners in underserved geographies through supporting regional meetings and Tribal communities.
ACCOMPLISHMENT	Community Investment staff expanded partnerships and built awareness of FHLBank Indianapolis, and its various programs and products offered through: • **Regional Meetings:** Working with Business Development, Community Investment staff presented at the following regional member meetings with specific regional data to help address community investment needs on a more local level. • **Workshops:** Community Investment staff participated in workshops held in Jeffersonville, IN and Boyne, MI • **Tribal Nations Housing Development Assistance Program:** Community Investment staff have had several meetings with tribes throughout the year and presented at two Great Lakes Indian Housing Association conferences.

GOAL	Enhance communications through the creation of dynamic and easy to understand outreach materials about program offerings and a focus on impact stories through a variety of deliverables including videos, social media campaigns and targeted member communications.
ACCOMPLISHMENT	In March 2024, FHLBank Indianapolis hired a dedicated Communications employee to work exclusively on Community Investment-related materials. This has enabled the bank to create more dynamic and easy-to-understand materials along with a strategy for deployment, and to increase readership and help build awareness.

GOAL	Explore Community Investment-related recommendations from System at 100 where opportunities exist.
ACCOMPLISHMENT	The Bank continued several voluntary programs in 2025 to support district needs that are not addressed by our required statutory programs. Several programs are administered outside of the Community Investment Department since housing affordability is integral to all Bank products.

Underserved Communities and Populations

GOAL	Implement a voluntary initiative addressing heirs' rights issues in each state in the district.
ACCOMPLISHMENT	As described above under the Voluntary Programs section, the Bank responded to the need for support in addressing heirs' rights issues in the district by launching specific programs in both Indiana and Michigan.

GOAL	Identify number of households assisted in low-income areas with regulatory funding.
ACCOMPLISHMENT	In 2025, 809 households who received funding from either Launch or Revive were in low-income census tracts identified at application. Of projects that received an AHP award, 19 were located in planning districts that serve low-income households (based on receiving points under the category "Projects serving low-income households in local planning districts").

GOAL	Identify number of emerging developers participating in AHP.
ACCOMPLISHMENT	29 new developers applied in the 2025 AHP round.

GOAL	Increase impact of HomeBoost by expanding allocation.
ACCOMPLISHMENT	Increased HomeBoost allocation to $7.5 million in 2025, compared to $5 million in 2024.

GOAL	Continue initiatives to support affordable housing and community development in tribal communities.
ACCOMPLISHMENT	As described above under the Voluntary Programs section, the Bank has continued its Tribal Nations Housing Development Assistance Program.

Operational Excellence

GOAL	Expand on-demand training library to help members and community partners with programmatic questions.
ACCOMPLISHMENT	The Bank expanded its on-demand training library to better support members and community partners by creating and posting more program-specific training modules that can be accessed anytime. This initiative ensures stakeholders have continuous access to guidance on program requirements, application processes and best practices. Additionally, the department enhanced the Community Catalyst Training Library, adding new resources and recorded sessions to provide a comprehensive, self-service learning platform specifically for members that promotes greater understanding and engagement with FHLBank Indianapolis programs.

GOAL	Enhance .GIVES system to enable broader functionality for users, allowing them to correct mistakes prior to application submission and providing a smoother transfer of information from source to system.
ACCOMPLISHMENT	CID staff worked with Bank Information Technology staff to explore options that would enable an online self-registration process for members and sponsors. A working group continues to pursue options in this area.

6: 2026 GOALS

- **Funding:** Enhance the Bank's community impact by focusing on providing liquidity funding for community-focused lending efforts.
- **Member Engagement:** Enhance member participation and engagement in community investment programs.
- **Outreach and Education:** Maintain awareness, involvement and partnerships within the FHLBank Indianapolis community, which is comprised of members, their customers, and the communities they serve.
- **Underserved Communities and Populations:** Provide community support to vulnerable populations in the Bank's district.
- **Housing Supply:** Expand access to affordable and sustainable housing by supporting initiatives that increase the availability and preservation of housing options within the Bank's district.
- **Operational Excellence:** Continuing to improve processes, efficiency and service excellence while providing community support in the Bank's district.

Regulatory Programs

	COMPETITIVE AFFORDABLE HOUSING PROGRAM (AHP)	LAUNCH DOWN PAYMENT ASSISTANCE	REVIVE HOME REPAIR GRANT	COMMUNITY IMPACT ADVANCE
FUNDING	Contribute voluntary dollars to fully fund the last complete AHP award through Stepping Up Grant	Designate at least half of Set-Aside funding (35% of required 10% allocation) for this program	Designate at least half of Set-Aside funding (35% of required 10% allocation) for this program	Originate $200-250 million in Community Impact advances and letters of credit
MEMBER ENGAGEMENT	Support 40-50 members to participate by submitting a Notice of Intent (NOI) to apply	Support 55-65 members to participate by receiving funding	Support 55-65 members to participate by receiving funding	Support 5-10 members to participate by receiving funding
OUTREACH & EDUCATION	Broaden partnerships with members and community partners in underserved geographies by supporting one new conference/event	Engage members in at least one region within IN and MI that have historically received lower investment from this program	Engage members in at least one region within IN and MI that have historically received lower investment from this program	Promote a case study to members and community partners of how this program can be used to support housing supply
UNDERSERVED COMMUNITIES & POPULATIONS	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)
HOUSING SUPPLY	Measure the number of new affordable rental or homeownership units and the number of existing affordable units preserved with AHP funding, *and* Research targeted fund for homeownership-specific projects	Support 350-400 first time homebuyers through program	Support 450-500 homeowners to remain in their home through program	Require members to indicate the number of homes supported through specific use of funding
OPERATIONAL EXCELLENCE	Enhance .GIVES system			

Voluntary Programs

	HOMEBOOST DOWN PAYMENT ASSISTANCE	ELEVATE SMALL BUSINESS GRANT	COMMUNITY MULTIPLIER MEMBER MATCH PROGRAM	RATE BUYDOWN ADVANCE	DISASTER RELIEF PROGRAM
FUNDING	Contribute at least 20% of voluntary dollars to program	Fund every member who wants to participate in the program	Fund every member who wants to participate in the program	Contribute at least 10% of voluntary dollars to program	Contribute at least 1% of voluntary dollars to program
MEMBER ENGAGEMENT	Support 35-45 members to participate by receiving funding	Encourage 10% increase in member participation over 2025	Encourage 10% increase in member participation over 2025	Assist members with building partnerships to provide advances assisting housing supply	Alert members when funding is available after national and state-declared disasters
OUTREACH & EDUCATION	Engage members in at least one region within IN and MI that have historically received lower investment from this program	Market program availability to all members who did not participate in Elevate in 2025	Market program changes and availability to all members to encourage broadening member participation	Market program changes and availability to all members to encourage broadening member participation	Market program to members when funds are available
UNDERSERVED COMMUNITIES & POPULATIONS	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.) including new and emerging developers	Track # of units for all project types (low-income areas, special populations, rural, urban, etc.)
HOUSING SUPPLY	Support 250-350 first-generation, first-time homebuyers through program	Encourage members to support small businesses that contribute to increasing housing supply	Broaden partnerships with members and community partners who are addressing housing supply	Require members to indicate the number of homes supported through use of funding	Support homeowners remaining in their home after a disaster through program
OPERATIONAL EXCELLENCE			Create .GIVES system to accept and process applications online		

Voluntary Initiatives

	TRIBAL NATIONS HOUSING DEVELOPMENT INITIATIVES	HEIRS' PROPERTY INITIATIVES
FUNDING	Continue to support MSHDA through our funding commitments	Continue to support partners through funding commitments
MEMBER ENGAGEMENT	Assist members will building partnerships to provide funding that augments housing supply in tribal communities	Engage and educate members on heirs' rights issues5
OUTREACH & EDUCATION	Make introductions between members and tribal communities seeking housing supply funding	Engage and educated members and community partners on heirs' rights issues
UNDERSERVED COMMUNITIES & POPULATIONS	Track # of units for all project types funded in tribal communities through this initiative	Continue to track # of units assisted that address heirs' rights issues through the Detroit program and the Indiana initiatives
HOUSING SUPPLY	Broaden partnerships with members and tribal partners who are addressing housing supply	Broaden partnerships with members and heirs' rights organizations who are addressing housing stability
OPERATIONAL EXCELLENCE		