FHLBank PITTSBURGH

2026 Targeted Community Lending Plan

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Executive Summary

The Federal Home Loan Bank of Pittsburgh (FHLBank) is pleased to provide our 2026 Targeted Community Lending Plan (Plan). The Plan is an outline of our proposed activities for 2026 that will assist our members in reaching their housing and community development goals for the communities that they serve.

The Federal Housing Finance Agency (FHFA) Community Support Programs regulation at 12 CFR 1290 requires all Federal Home Loan Banks (FHLBanks) to complete an assessment of the credit needs and market opportunities for community lending in their district. The regulation also requires that each Federal Home Loan Bank develop an annual Plan that:

i. Reflects market research conducted in each FHLBank district;

ii. Describes how FHLBanks will address identified credit needs and market opportunities in each district for targeted community lending;

iii. Developed in consultation with its Affordable Housing Advisory Council (Advisory Council), and with members, housing associates and public and private economic development organizations in each district;

iv. Establishes quantitative targeted community lending performance goals; and

v. Identifies and assesses significant affordable housing needs in its district that will be addressed through its Affordable Housing Program (AHP).

Further, the Plan must be approved by FHLBank's Advisory Council and Board of Directors (Board), published on FHLBank's public website, and submitted to FHFA.

Within this 2026 Plan, FHLBank provides a summary of the credit needs and market opportunities identified for our district (consisting of Delaware, Pennsylvania and West Virginia, herein referred to as "district"). The development of the 2026 Plan relies primarily on a comprehensive report (the District Needs Assessment for Delaware, Pennsylvania and West Virginia, herein referred to as the "DNA report"), completed by FHLBank in 2024. The entire DNA report can be accessed via FHLBank's website. The DNA report describes housing challenges and community needs using information from a variety of sources. This includes quantitative data – large databases of national data analyzed for our district – and qualitative data found in existing studies and reports. It also includes community input from an online survey administered in March 2024, five focus group meetings held in April 2024 and 10 stakeholder interviews that were administered in March and April 2024. Throughout the DNA report's development, FHLBank consulted with the Advisory Council, members, housing associates and public and private housing and economic development organizations in our district.

The DNA report shows that rapidly rising development costs and higher home prices and rents have intensified housing challenges and insecurity for vulnerable populations, and have expanded affordability challenges to higher income households in FHLBank's district since 2020.

The DNA report shows that in FHLBank's district, 51% of all low-income households are paying more than 30% of household income on housing expenses. Renters in the district have more housing challenges than homeowners, with 44% of low-income homeowners experiencing housing challenges compared to 59% of low-income renters. One in four low-income households spend more than 50% of their income on housing and are extremely cost-burdened. An additional 1.5% of district households live in overcrowded homes or homes lacking basic kitchen or bathroom facilities. Of note, it highlights racial disparity issues, such as minority households being more likely to experience housing challenges. Less than 25% of all white households experience housing challenges, compared to 41% for Black/African American households and 43% for Latino households. Black/African American individuals are more likely to experience homelessness. In 2022, 46% of homeless individuals identified in the U.S. Department of Housing and Urban Development (HUD) Point-in-Time Survey were Black/African American, yet only comprise 10% of the population within the district.

FHLBank continues to offer our community investment products and initiatives to support affordable housing and community investment, which includes a suite of products and initiatives that provide members with the resources needed to expand their lending and investing in affordable housing and community development. These community-related offerings are funded through FHLBank's earnings, either through a statutory annual contribution to AHP and First Front Door (FFD), or voluntary contributions to products such as Banking On Business (BOB), Blueprint Communities®, the voluntary housing grant initiative, First Front Door Keys (Keys) and Home4Good. We are required by statute to contribute 10% of the prior years' pre-AHP assessment net income to AHP. FHLBank also offers the Community Lending Program (CLP) that combines the eligibility of the required Community Investment Program and the broader eligibility under the Community Investment Cash Advances regulation. The products offered by FHLBank are important to our membership and the communities that they serve.

In 2023, 2024 and 2025, FHLBank's Board increased the voluntary allocation for community products to at least 5% of the prior year's pre-AHP assessment net income, which is in addition to the statutory 10% requirement.

In 2026, FHLBank will continue efforts to assist our members and other stakeholders in the district to address the increasing challenges for affordable housing and community development identified in our market assessment.

Refer to FHLBank's 2024 Advisory Council report, 2024 FHLBank System Impact Report, and our community investment success stories for details on these products and their impact.

FHLBank is committed to conducting its business in accordance with Federal fair housing and fair lending laws.

Market Research

FHLBank's DNA report involved extensive market research in assessing the credit needs and market opportunities in the district. The DNA report is referenced throughout this Plan and was used to inform our strategy to address the needs and opportunities, and to establish performance goals. FHLBank continually assesses market conditions to inform the needs outlined in the Plan.

Access to safe, decent and quality affordable housing remains a challenge for low- to moderate-income individuals and families. Post-pandemic federal funding opportunities are diminishing, yet many of the challenges persist. The lack of new housing supply in affordable ranges, coupled with the district's aging housing stock, leaves buildings dilapidated, undeveloped and vacant with long waitlists for a limited supply of available housing. These challenges are seen in many communities whether they are rural, urban or suburban.

From an economic development perspective, research indicates that minority- and women-owned businesses continue to face barriers to access capital due to lack of equity and collateral, lower credit scores and length of credit histories. These disparities, largely due to generational income and wealth gaps, make it difficult for minority- and women-owned businesses to start and maintain a business.

The market research completed by FHLBank will help shape and guide our 2026 community lending and affordable housing goals. Continued member and community stakeholder engagement is key to achieving these goals.

Strategic Plan

FHLBank's Strategic Plan starts with our dual mission to assure the flow of credit to members to support housing finance and community lending and provide related services that enhance their businesses and vitalize their communities.

Vitalizing Communities is one of the key strategic plan goals in FHLBank's Strategic Plan. The broad Vitalize Communities goal:

- Apply a dynamic approach to community support and member engagement; address district needs
- Promote affordable, sustainable, and resilient housing along with vibrant communities; leverage new technology and product streamlining to increase efficiency and impact

The Strategic Plan recognizes that providing a relevant mix of community products that help our members achieve their community investment objectives is an important resource. The goals in this Plan align with our Strategic Plan.

Consultation with Stakeholders, Affordable Housing Advisory Council

Our Advisory Council has 15 members who represent a cross-section of housing, economic and community development professionals from FHLBank's district. The Advisory Council's purpose is to advise FHLBank's Board and management on housing and community development matters in the district. Advisory Council members also assist in developing an ongoing understanding of specific needs and help build relationships with community stakeholders.

The Advisory Council actively participated in the DNA report and worked closely with FHLBank management to help create the Plan. The Advisory Council will continue to use these two resources to establish AHP policy, including an outcomes framework, AHP allocation and scoring priorities in our AHP General Fund.

In 2025, in addition to the required quarterly meetings with FHLBank's Board and management, the Advisory Council created task forces for AHP; Voluntary Products; Community Strategy and Innovation to advance FHLBank's goals. The task forces participated in additional sessions to address streamlining AHP including scoring and feasibility adjustments, assessing voluntary products impact, and considerations for 2026 product offerings.

Engagement of Strategic Partners, Members, Housing Associates, and Public/Private Economic Development Organizations

FHLBank engages strategic partners to enhance and sustain external partnerships that result in direct and indirect business opportunities for us and our members. As it relates to community investment, FHLBank enhanced or created new relationships by sponsoring and participating in conferences, developing success stories, planning and executing joint events, and engaging in policy discussions. The aim is to strengthen partnerships ensuring broad-based member and other key stakeholder use of FHLBank's affordable housing and community products.

Strategic partners are an important avenue for disseminating information to broader audiences and stakeholders. FHLBank communicates our announcements, product timelines and special initiatives with our strategic partners to further collaborate with key stakeholders and to reach a broader audience throughout the district. As of Sept. 30, 2025, FHLBank engaged in significant outreach with 11 of our 15 strategic partners.

By June 30, 2025, FHLBank connected 26 potential AHP applications to member institutions through our member-developer matching service, provided $56,555 in industry-related sponsorships, and completed 699 outreach calls to member institutions, strategic partners and stakeholders focused on community investment-related activity.

Our 2025 engagement activities include:

Nationally

- 2025 Maryland Community Action Partnership Human Services Conference
- FHLBank Systemwide Native American Outreach Meeting
- Naticoke - Lenape Pow-Wow
- National Association of Housing and Redevelopment Officials Conference
- Oweesta Capital Access Convening Conference

Delaware

- AHP Ribbon Cutting - West End Neighborhood Center
- Community Development Institute Conference
- Community Development Network Meeting
- Developers Roundtable Workshop
- Housing Finance Agency - Finance & Housing Subcommittee Meeting
- Lenape Tribe Workshop
- Delaware Association of Housing & Redevelopment Officials Conference
- Diamond State Community Land Trust Board/Committee Meeting
- Westside Grows Together Housing Subcommittee Meeting

West Virginia

- Affordable Housing Program Workshops – Bridgeport and Charleston
- Rea of Hope Dinner
- FHLBank Member Appreciation
- U.S. Department of Rural Development Affordable Housing Program Overview

Pennsylvania

- Allegheny County Housing Authority Affordable Housing Initiatives
- Blueprint Communities Group Session
- City of Sharon Tour
- Congressman Thompson Business Resource Summit
- CrossStates Credit Union Convention
- Pennsylvania Department of Community and Economic Development Neighborhood Assistance Program Workshop
- Department of Community and Economic Development Pennsylvania Community Development Conference
- FHLBank Pittsburgh Member Appreciation East
- FHLBank Pittsburgh Member Appreciation West
- Federal Reserve Bank of Philadelphia - Innovations in Products and Partnerships to Advance Workforce Housing Conference
- Ledlie Street Townhomes Ribbon Cutting

- Module Workshop Funders Panel
- Mon Valley Alliance Economic Resource Day
- National MainStreet Now Conference
- Native American House Alliance Homebuyer Seminar
- Old First House AHP Ribbon Cutting
- Pennsylvania Housing Round Table Board/Committee Meeting
- Pittsburgh Community Reinvestment Group Conference
- Pittsburgh Community Reinvestment Group - Community Banker's Collaborative Council Workshop
- Regional Housing Legal Services Board of Directors Meeting
- Southwestern Pennsylvania Municipal Hub
- Tentum Enterprises Stakeholder Meeting
- The Axiom Advancement Corporation Stakeholder Meeting
- Urban Redevelopment Authority Pittsburgh Real Estate Loan Review Committee Meeting
- Western Pennsylvania Community Development Group
- Western Pennsylvania Community Development Group Workshop
- Westmoreland Community Development Summit
- Women in Housing Finance Pennsylvania Communications Committee Meeting

Data alone does not convey the full picture of housing and community lending needs. The information may identify the populations and locations with disproportionate needs, but to gain a better understanding of why these issues persist requires input from the housing providers and funders working in the community.

To accomplish this, as part of the DNA report, FHLBank solicited feedback from our network of organizations working in the affordable housing and community development industry through an online survey, stakeholder interviews, and a series of focus groups where industry experts discussed housing and community lending challenges and opportunities within their respective areas. Stakeholders included lending institutions, nonprofit and for-profit housing developers, economic development specialists, neighborhood organizations, local, state and federal government agencies, supportive service providers, advocates and housing experts who have worked with FHLBank in the past and are currently active in affordable housing-related activities within the district.

Survey

In 2024, FHLBank conducted an online Stakeholder Survey, and 211 stakeholders completed the survey. There was diversity among organization types and locations. The survey results identified key challenges and needs which helped inform the DNA report.

Focus Groups

In 2024, FHLBank’s consulting team facilitated five virtual focus groups around:

- Community and economic development
- Affordable housing needs, including sustainability and climate resiliency
- Community and economic development lending/participation, focused on FHLBank members

- Housing and supportive service needs for homeless, underserved and other populations
- Equity in housing, community and economic development

Participants included industry experts from 48 organizations, including public, private and nonprofit spheres.

Stakeholder Interviews

In 2024, FHLBank's consulting team facilitated 10 phone interviews with stakeholders around several topics:

- Barriers to economic development financing
- Energy efficiency related to affordable housing/community/economic development
- Housing, community or economic development needs in Delaware, Pennsylvania, and West Virginia
- Housing for households that are less than 30% area median income (AMI)
- Housing for households that are 80-120% AMI
- Rural housing - capacity building
- Urban and suburban affordable housing
- Wealth building, including Heirs' Property, financial literacy and sustainability of wealth

The key takeaways from these three forms of engagement are summarized in the Stakeholder Engagement section of the DNA report and throughout the Plan as it pertains to the fundamental housing and community lending challenges.

Market Research Methodology

The DNA report describes housing and community challenges and needs using information from a variety of sources. This includes quantitative data – large databases of national data analyzed for Delaware, Pennsylvania and West Virginia – and qualitative data found in existing studies and reports.

The primary data used for the DNA report comes from the American Community Survey (ACS) 2022 five- year estimates, which captures demographic, housing and economic indicators for all areas of the United States. The study assessed this data for census tracts, counties, regions and states. The regions were defined using a combination of state agency boundaries and metropolitan statistical area (MSA) boundaries used by the U.S. Census Bureau. The analysis examines HUD data, primarily the Comprehensive Housing Affordability Strategy (CHAS) datasets from 2023 (which uses ACS five-year 2018-2022 data) that identifies housing challenges by tenure, income, race/ethnicity and household type. Additional datasets used for the DNA report come from the U.S. Bureau of Labor Statistics, HUD, Environmental Systems Research Institute, RS Means, Consumer Price Index, U.S. Department of Education, U.S. Department of Agriculture Economic Research Service, Home Mortgage Disclosure Act and Zillow.

The DNA report also incorporates housing needs as described by state and regional housing plans, reports on homelessness and feedback from FHLBank stakeholders through surveys, stakeholder interviews and focus group discussions. Finally, the DNA report incorporates recent data that tracks the continuing impact of COVID-19 on low-income families and the housing market.

Federal and State Recognized Tribes

While there are no federally recognized tribes or tribal lands located in Delaware, Pennsylvania or West Virginia, there are Native American households in the district that are members of recognized tribes located in other parts of the country. The Native American households are largely concentrated in Philadelphia and Pittsburgh, with additional populations located in Erie County, Pennsylvania; Kent and Sussex County in Delaware; and Jefferson and Kanawha counties in West Virginia. The dispersion of Native American populations presents some challenges in providing support programs and services. There are two state recognized tribes located in Delaware – the Nanticoke Indian Association located in Sussex County and the Lenape Indian Tribe of Delaware located in Kent County. Other areas within the district with Native American populations include northeastern Pennsylvania and the Philadelphia area where the Lenape settled.

In 2025, FHLBank expanded outreach to the Native American community:

- Attended the National Native American Conference - Oweesta Corporation Native CDFI Capital Access Convening;
- Attended and continue to support the Lenape Nation of Pennsylvania at events;
- Met with the Chief of the Lenape Tribe of Delaware, provided a presentation on FHLBank and our products;
- FHLBank staff served on the Advisory Board of the Native American House Alliance of Philadelphia (NAHA);
- Held a homeownership workshop for NAHA in partnership with United Saving Bank;
- Attended 2025 Lenape Pow Wow;
- Sponsored and attended the NAHA's Regional Intertribal Pow Wow in Philadelphia.

FHLBank continues to participate in a quarterly Systemwide Native and Tribal community support meetings where we collectively strategize on how we can engage Native American communities within our distinct districts and nationally.

In 2026, FHLBank plans to attend the Oweesta Corporation Native CDFI Capital Access Convening. In 2026, FHLBank will continue to explore connections and conduct outreach to Native American communities within the district and beyond, including, but not limited to, the Lenape of Pennsylvania, the Nanticoke Tribe of Delaware, the Lenape Tribe of Delaware and the NAHA in Philadelphia. The FHLBank will continue to conduct homeownership workshops with NAHA and attend the regional Pow Wows in the district. As we continue to engage with developers, organizations and representatives of the tribes, we will build our understanding of the needs of the Native American people and make the appropriate connection to our members and community products. As our members merge and acquire financial institutions outside our district, we will continue to serve them in their extended footprint, where larger Native American communities may be located.

Credit Needs, Significant Affordable Housing Needs and Market Opportunities

Significant Affordable Housing Needs

To address the priority needs identified in the DNA report completed in 2024, FHLBank will focus on the following needs in the district:

- Housing Affordability
    - Rural areas

- Racial and Ethnic Disparities
- Vulnerable Populations

Based on the DNA report, these are the significant affordable housing and community development needs summarized:

- First-time buyers are being priced out due to increased housing prices and high interest rates.
- Higher development costs have increased funding gaps in affordable housing projects.
- Housing insecurity is an issue that impacts health, earning potential and quality of life.
- In rural areas, it is difficult to develop affordable housing and provide services.
- The loss of naturally affordable housing has accelerated in the last five years.
- Low-income, especially minority households, are being priced out of traditionally affordable neighborhoods.
- Much of the affordable housing stock is older and in substandard condition.
- Racial disparities persists in homeownership rates, housing challenges and homelessness.
- Rising rents increase the risk of homelessness for vulnerable populations and increase housing challenges for very low-income households.
- Subsidized housing is at risk of leaving the affordable market due to expiring restrictions.

Housing markets across the United States experienced profound changes over the past five years.

With the emergence of the coronavirus pandemic, the global economy came to a near halt in March 2020 that lasted nearly two years. Across the United States, manufacturing slowed, construction activity stopped, and material prices increased by an average of 20%.

Meanwhile, remote work became commonplace for several industries, even amongst large employers, giving some workers the opportunity to save more (lower transportation and childcare costs) and relocate. As a result, home sales in the United States skyrocketed, reaching figures comparable to the early 2000s. Unlike the early 2000s, however, new construction could not keep pace, leading to a severe supply shortage and a spike in home prices. Despite historically low interest rates, many would-be first-time homebuyers were priced out of the market.

Between April 2020 and April 2024, homes prices increased 42% in the United States. In this same period, prices increased more than 30% in the district, and in several areas, exceeded national figures. Homeownership is now out of reach for a larger number of residents within the district, particularly in smaller cities within two hours of Philadelphia and coastal Delaware. In many high-priced areas, moderate- and middle-income renters cannot afford to become homeowners, when in early 2020 they could.

The rental market in the district also experienced sharply increasing rents during this period caused by several factors. The lag in multifamily construction caused a rental housing shortfall exacerbated by new household formation and the inability of many Gen Z and millennial renters to move into the homeownership market. Operating expenses increased due to building supplies and insurance costs rising, with these costs passed on to renters. And certain regions experienced an influx of residents from more expensive markets willing to pay higher rents.

This created a rental housing market with prices that exceeded local incomes in many areas, notably in eastern Pennsylvania cities, Philadelphia, most areas of Delaware, West Virginia’s Eastern Panhandle, resort areas (e.g., the Poconos in Pennsylvania and the New River Gorge National Park in West Virginia) and college towns like Bethlehem and State College. Between April 2020 and April 2024, rents in the United States increased by 30%. Within the district, all markets with reported data experienced rent increases above 20%, and 65% of those markets were above 30%.

The United States responded to the health crisis with the American Rescue Plan Act (ARPA). This stimulus infused more than $50 billion toward housing programs, including $10 billion to address homelessness.

ARPA funneled an unprecedented amount of emergency funding to states and local communities. This one-time allocation allowed jurisdictions to introduce new housing programs and substantially reduce homelessness. Many of these new programs are now models of innovation. Effective programs, however, requiring a recurring funding source are now unable to continue services at the same level. This is evident in the rate of homelessness within the district, which jumped by 26% between 2021 and 2022.

Housing Affordability

Housing – both rental housing and homes for sale – has become significantly more expensive in recent years. The DNA report assessed housing affordability in three ways.

The first approach compares typical home prices with median income. This is a common litmus test for whether a housing market is affordable in general. It is often used in tandem with economic development and land use policy to increase production.

The second approach quantifies the number and percentage of households paying an excessive amount of their income on housing. This approach captures the housing affordability issues that naturally occur among households with limited income and highlights areas where there is a shortage of designated, affordable housing options.

The third approach compares home prices with wages of top occupations in the regional workforce. This approach presents a more precise assessment of workforce housing needs rather than using the common assumption that workers earn between 60% and 120% of Area Median Income.

Housing Affordability – Price to Income Ratio

A common method for evaluating whether a housing market is affordable is to compare median home price to median income. The HPI (Housing Price to Income) ratio is usually compared to the US average and can be viewed historically to understand how interest rates, construction starts, and other economic conditions impact the real estate market. It is a critical measure for housing affordability in general; when the HPI is high, middle-income families struggle to become homeowners, and regional economies can be strained by housing shortages and longer commutes as people move further from job centers in search of affordable housing options.

It is generally accepted that a healthy HPI ratio is between 3.0 and 4.0, depending on interest rates. The current U.S. HPI ratio is 4.6, a historical high due to the sharp increase in housing prices throughout the country since 2020. As demonstrated in Table 1, within the district, HPI ratios are above the national average in numerous markets, notably in smaller Pennsylvania cities within commuting distance of New York and Philadelphia, college towns like Bethlehem and State College, and much of Delaware.

Table 1: Housing Price to Income Ratio

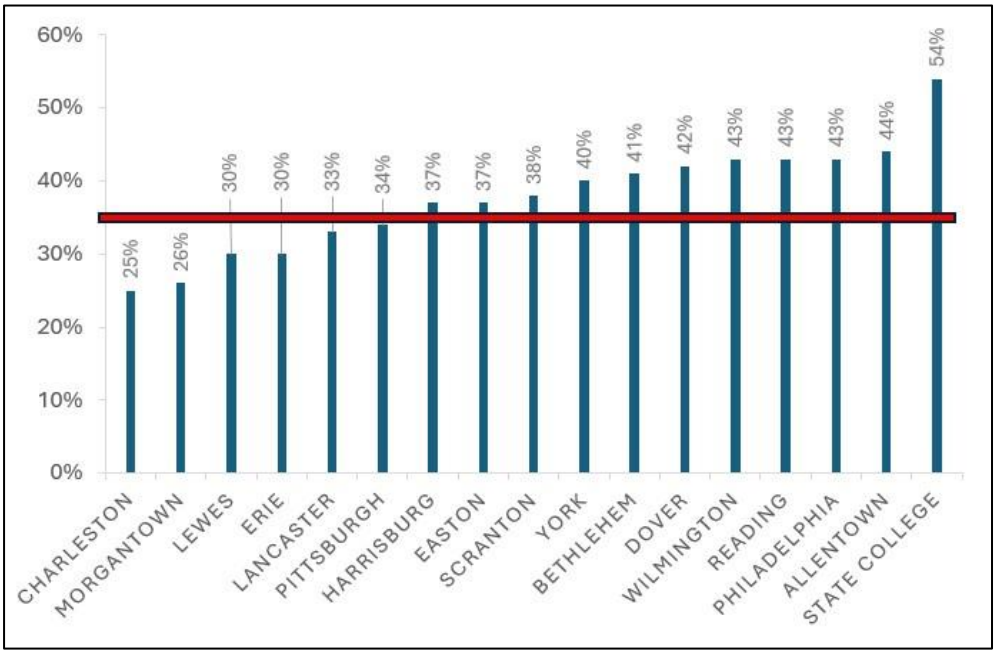
City	State	Typical Home Price	100% AMI (Middle Income)	HPI Ratio 4.6 = US average
Charleston	WV	$148,677	$62,843	2.4
Scranton	PA	$166,005	$52,039	3.2
Morgantown	WV	$267,635	$80,000	3.3
Philadelphia	PA	$220,817	$61,386	3.6

Pittsburgh	PA	$231,178	$64,214	3.6
Erie	PA	$171,348	$46,021	3.7
Harrisburg	PA	$234,984	$49,775	4.7
Bethlehem	PA	$318,237	$66,225	4.8
Allentown	PA	$272,761	$55,958	4.9
Easton	PA	$329,737	$66,833	4.9
Wilmington	DE	$305,707	$58,393	5.2
Reading	PA	$236,519	$45,719	5.2
Lancaster	PA	$341,119	$65,096	5.2
Dover	DE	$316,249	$58,080	5.4
York	PA	$252,145	$45,184	5.6
Lewes	DE	$585,219	$93,309	6.3
State College	PA	$384,989	$46,366	8.3

Source: Atria Planning using data provided by Zillow and American Community Survey 5-Year 2022 estimates.

To assess affordability in the rental market, we use a similar approach, comparing earnings at 80% of AMI to typical rents. For this analysis, affordable is paying less than 35% of income on rent. Like the for-sale market, rental housing in the United States, in general, is expensive. According to HUD, rent should be at or below 30% of income to be “affordable.” In the United States, that figure is 40%. Within the district, rental prices are particularly high in Philadelphia; smaller, high-growth cities in eastern Pennsylvania; Dover and Wilmington in Delaware; and State College, Pennsylvania. In areas that experienced a strong migration of new, higher income residents in recent years, housing affordability is an even greater problem for longstanding residents. As shown in Chart 1, rent is unaffordable in 11 (65%) of the 17 major cities in the district.

Chart 1: Percentage of Income Spent on Rent



Source: Atria Planning using data provided by Zillow and American Community Survey 5-Year 2022 estimates

What is also not captured in this data are the housing needs of workers with low-paying positions. This is a major issue in retiree and tourist communities, where most jobs are in the service and retail industries. This includes Delaware's coastal areas, resort towns in the Poconos, and recreation areas in West Virginia.

Housing Affordability – HUD CHAS

HUD provides a detailed dataset to jurisdictions annually to assess housing needs in their communities. This dataset – the Comprehensive Housing Affordability Strategy (CHAS), quantifies the number of households experiencing housing challenges categorized by income, tenure, household type, race/ethnicity and age. Housing challenges are defined as:

- Cost-burdened – Paying more than 30% of household income on housing expenses
- Extremely cost-burdened – Paying more than 50% of household income on housing expenses
- Overcrowding – More than one person per room (excluding bathrooms)
- Inadequate conditions – Without complete kitchen or bathroom facilities

According to HUD data, 51% of all low-income households in the district are cost-burdened. One in four low-income households pay more than 50% of their income on housing and are extremely cost-burdened. An additional 1.5% of district households live in overcrowded homes or homes lacking basic kitchen or bathroom facilities.

Housing Affordability - Workforce Housing

The phrase "workforce housing" is becoming more common, but there is no standard definition for the term. The DNA report, illustrates affordability across occupations, with the highest number of workers within a regional economy, specifically focusing on the Philadelphia, Pittsburgh and Charleston metropolitan statistical areas (MSAs).

The U.S. Bureau of Labor Statistics provides an annual survey of occupations within all MSAs, including number of positions, salary range and the strength of each occupation within the regional economy. In all three regions, retail sales, cashiers, fast food workers, office clerks and customer service workers are in the top 10 occupations and have earnings considered low-income or very low income. For example, the top 10 occupations in the Philadelphia MSA are equivalent to 25% of the overall workforce, 80% of these workers earn less than $45,000 per year; 36% earn less than $30,000 per year. Only two of the 10 occupations can afford to rent an average apartment on their own.

Because home sale prices increased dramatically between 2020 and 2022, and have continually continued upward, many moderate and middle-income renters do not earn enough to purchase a home. This can impact workforce attraction and retention, and lower homeownership rates in neighborhoods.

For this analysis, we examine the occupations that could afford to purchase a home five years ago based on mean annual salary, but have since been "priced out." In the Philadelphia MSA, for example, the average home sold for $237,000 in early 2019 compared to $347,000 in early 2024 representing a 46% increase. With current prices, an average-earning accountant, project manager, financial analyst, electrician or police officer would find it difficult to afford a home today, whereas five years ago, that was not the case.

Rural Housing

Rural housing challenges in the district are distinct in a variety of ways. For one, the population is declining, indicating a decrease in demand for new housing units. Yet the housing stock is older, the population is disproportionately older, and wages are lower, indicating a strong demand for affordable housing solutions, particularly repair programs. It can also be more challenging and costly to develop

subsidized rental units in rural areas. Multifamily funding programs like the Low-income Housing Tax Credit (LIHTC) Program favor larger projects. In most instances, the greater the number of units in a project, the lower the development cost per unit. Rural projects tend to be smaller, thus increasing development costs per unit.

Rural homelessness is also challenging to address. Because towns are widely dispersed, it is difficult to provide services to those experiencing homelessness in a designated place. Oftentimes shelters, emergency housing, social services and health clinics that may serve a rural homeless population are located at a great distance from one another and are not accessible by public transit. Similarly, the tools needed to transition out of homelessness are harder to come by. There are fewer jobs, fewer apartments, and a car is a necessity in most cases.

Vulnerable Populations

Homeless and those at risk - There are 473,000 renter households in the district who earn less than 30% of AMI (considered “extremely low-income”) and pay more than half of their income on housing. These households face the greatest risk of eviction, displacement and homelessness. With emergency ARPA funding available between 2020 and 2022, communities had resources to mitigate evictions and house those experiencing homelessness. When these funds were expended, eviction rates climbed. In 2023, landlords filed 129,000 eviction notices in the district, with the highest concentrations in the Philadelphia suburbs and Wilmington, where one in 10 renters faced eviction. Philadelphia had the largest number of filings (40,000 in 2023), but the lowest filing rate of 4.27%. This can be attributed to a new program born from coronavirus relief efforts requiring landlords to enter mediation prior to filing an eviction. Philadelphia provided emergency rental assistance and legal services to tenants to pay overdue rent and cover damages. According to HUD’s Point in Time (PIT) Survey of 2023, there were 15,217 homeless individuals accounted for in the district. Among these individuals, 21% were children, 40% were women, and 44% were Black/African American. Most recorded persons experiencing homelessness were in shelters (84%). The number of individuals and families experiencing homelessness is undercounted by the HUD PIT Survey and is more useful to understand the socioeconomic characteristics of the homeless population rather than giving an accurate quantification. A more accurate measure of homelessness is found within the United States (U.S.) Department of Education’s count of homeless students. This includes students who are precariously housed, either living in short-term motels, “doubled up” with other family members or friends, living in shelters or transitional housing, or without shelter altogether. In 2022, the U.S. Department of Education found that there were 46,631 homeless children in the district, with 73% in Pennsylvania and another 20% in West Virginia. If we extrapolate from this data using the child-to-adult ratio in the PIT survey, there are an estimated 202,000 individuals in the district without a permanent home, representing 1% of the population.

Older adults - There are an estimated 505,000 low-income households within the district who have people who are over 65 years old and are cost-burdened by housing expenses; 61% are homeowners and 39% are renters. One in four are extremely cost-burdened, paying more than 50% of their income on housing. Low-income homeowners at retirement age experience unique housing challenges. Most are on fixed incomes, and may not be able to afford home maintenance, rising utility costs and higher tax bills. They are also less financially capable of modifying their homes to accommodate declining mobility like installing ramps or walk-in tubs. Many are still required to work past retirement age and may need access to public transit when driving becomes less feasible. Low-income, older renters on fixed incomes face even greater challenges. Affordable, subsidized rental units are in short supply, and renters relying on affordably priced market rate units are vulnerable to rent hikes and displacement. In the district, there are currently 95,000 very low-income renters over 65 years old who spend more than half their income on housing. Apartments are also less accommodating to individuals with accessibility issues, with garden-style complexes having stairs rather than elevators. The baby boomer generation (born between 1946 and 1964) are increasingly entering retirement age. In the next five years, the district is forecasted to add an additional 385,652 adults over 65 years old. This translates to an additional 47,000 low-income senior renters.

Disability - More than 2.3 million people in the district are living with a disability. The most common forms of disability are ambulatory (difficulty walking) and cognitive, as well as other difficulties with living independently. Among the 2.3 million, 8% are children and 43% are over 65 years of age. Housing opportunities are limited for individuals who require accessibility modifications or specialized housing due to a disability; resulting in greater risk of living in poor quality housing and experiencing homelessness. There is widespread discrimination against individuals with disabilities applying for housing, as well as discrimination at the project-level, with municipalities and neighborhood organizations opposing group homes and other housing solutions for individuals with special needs. Additionally, affordable housing builders often do not fully understand how to build accessible units and may not meet building requirements even when required to do so, further limiting supply. For example, many features of Universal Design -- the practice of creating products, environments, and services to be usable by all people to the greatest extent possible, regardless of age, disability, or other factors – do not cost more than traditional features. This may include installing lever handles rather than knob handles; lowering switch plates; installing non-slip and level flooring; installing wiring for voice-activated light and temperature controls; and using drawers instead of cupboards in the kitchen. The barriers and stigma experienced by individuals with disabilities have a well-documented negative impact on quality of life, with higher rates of depression and obesity. Yet research indicates a systemic problem with “ableism,” that is reflected in the lack of accessible housing production, education and incentives.

Racial and Ethnic Disparities

There is a persistent gap in homeownership rates between minority households and white households, even controlling for income; and this gap is the highest for Black/African American and Latino households. The homeownership rate for white households earning less than 50% of AMI is 54%, more than 24 percentage points higher than Black/African American and Latino households. Due to the homeownership gap, minority households were more severely impacted by market changes during the coronavirus pandemic. With rising home prices, existing homeowners gained equity while renters experienced greater housing cost burden and risk of displacement.

Mortgage denial rates are higher for minority households, but the difference is not sufficient to explain the gap. In reviewing mortgage origination data from 2017 to 2023, 26% of mortgage applications from white applicants were denied compared to 40% for Black/African American households and 39% for Native American households. Even more striking, white applicants who started an application were far more likely to submit it (one in three compared to only 19% for Black/African American applicants and 15% for Native American applicants). For minority households, the mortgage process and finding an affordable property are persistent challenges.

Minority households are also more likely to experience housing challenges. Less than 25% of all white households experience housing challenges, compared to 41% for Black/African American households and 43% for Latino households. Black/African American individuals are more likely to experience homelessness. In 2022, 46% of the homeless individuals identified in the HUD Point in Time Survey were Black/African American, yet only comprise 10% of the population within the district.

Significant Community and Economic Development Needs

This section highlights five prominent issues that were described as critical needs in the focus groups and interviews, as well as government priorities described in state and local planning documents.

Neighborhood Improvement - Many distressed neighborhoods lack retail services, including access to a grocery store with fresh food, a bank, or a pharmacy. At the same time, they may have a substantial number of vacant commercial properties. Finding ways to redevelop vacant commercial corridors in distressed neighborhoods that serve the community can help to improve the quality of life for residents, increase property values and create job opportunities.

Building Wealth - Individuals residing in high-poverty areas, including areas with a significant minority population, often do not have the resources needed to achieve economic independence and financial security. The lack of affordable childcare, training for living-wage jobs and financial education perpetuates a wealth gap exacerbated by the homeownership gap.

Reinventing Coal Mining Towns - West Virginia's high unemployment rate largely stems from the decline in coal production. The exodus of more than 110,000 coal mining jobs in the past 50 years and ensuing widespread unemployment has resulted in an opioid crisis, blighted neighborhoods and systemic poverty. The state is focusing on creating new job opportunities and a skilled labor force within "green" energy investments and workforce training programs.

Community Resiliency and Climate Change - The district is at an increasing risk of experiencing a natural disaster, with flooding and heat waves posing the greatest threats. Community-wide hazard mitigation and disaster preparedness plans are critical in high-risk areas with greater social vulnerability. This mostly occurs in rural mountain areas with riverine flood risk and in high-poverty areas of Philadelphia prone to flooding. In 2025 two counties in West Virginia experienced severe flooding, these floods caused both loss of lives and extensive damage. In response, FHLBank provided a donation of $75,000 to the West Virigina Chamber Foundation, which distributed donated flood relief funds to meet community needs.

Gentrification and Displacement - The recent surge in home prices is disproportionately impacting low-income areas with a significant minority population. Investors are more likely to purchase homes from homeowners and convert these properties into rental units or resell them at higher prices. Longstanding residents risk getting priced out of their neighborhoods, particularly renters. Affordable housing preservation is a critical community development need in many urban Latino and Black/African American neighborhoods.

Native American Community

The Native American population in the district is small (7,834 households or 0.1% of all households), but this group experiences disproportionate affordable housing needs, including greater cost burden, lower homeownership rates and higher loan denial rates than white, non-Latino households. Within the district, Native American renters who earn at or below 50% of AMI, and owners who earn at or below 30% of AMI, experience the greatest housing challenges. 38% of low-income Native American households experience housing challenges compared to 24% of white households.

The Native American homeownership rate is 61% compared to 75% for white households; among households earning less than 50% of AMI, the Native American homeownership rate is 45% compared to 54% for white households. The mortgage denial rate for Native American mortgage applicants between 2017 and 2023 was 39% compared to 26% for white applicants and 15% of Native American applicants who started an application submitted it compared to 32% for white applicants. The top three reasons for a denied mortgage were, in ranking order: credit history, debt-to-income ratio, and lack of collateral.

While there are no federally recognized tribes or tribal lands located in Delaware, Pennsylvania and West Virginia, there are Native American households in the district that are members of recognized tribes located in other parts of the country. The Native American households are largely concentrated in Philadelphia and Pittsburgh, with additional populations located in Erie County, Pennsylvania; Kent and Sussex Counties, Delaware; and Jefferson and Kanawha County, West Virginia. The dispersion of Native American populations presents some challenges in providing support programs and services. There are two state-recognized tribes located in Delaware - the Nanticoke Indian Association located in Sussex County and the Lenape Indian Tribe of Delaware located in Kent County. Other areas within the district with Native American populations include northeastern Pennsylvania and the Philadelphia area where the Lenape settled.

FHLBank engaged with representatives from several of these Native American tribes/organizations, including the Native American House Alliance in Philadelphia, as part of the DNA report in 2024, to

ascertain the needs of Native populations. The interviews revealed the following top five needs for Native American people residing in the district:

- Cultural Preservation
  - Creation and expansion of museums
  - Preservation of language, customs and traditions
- Employment
  - Job training
- Environment
  - Protect and preserve nature and land that may be negatively impacted by development
- Health
  - Need for culturally sensitive health care programs
- Housing
  - Development of housing for Native Americans
  - Homeownership opportunities
  - Housing counseling
  - Rehabilitation of existing housing

Community Resiliency and Climate Change

A 2021 study by the U.S. Environmental Protection Agency analyzed the impact of climate change on various populations and found that minority communities – particularly Black/African American and Latino communities – experience disproportionate hardships due to climate-induced disasters. In the district, this includes flood events and extreme heat.

Rates of asthma, mobility impairment, limited access to transportation, living in repetitive flood-loss areas and working in weather-exposed industries disproportionately impact minorities. Additionally, low-income neighborhoods (which disproportionately comprise minority neighborhoods) are less likely to have the community-wide resources available to respond to natural disasters. Warning sirens, designated community safety zones and protective infrastructure, like levee systems and drainage basins, are not as widely available. Within the home, low-income households are also less likely to have or be able to afford internet, air conditioning or heat, and they experience increasing susceptibility to health risks and barriers to accessing information necessary for emergency evacuations.

The University of South Carolina documented areas at greater risk based on exposure to natural disasters, combined with socioeconomic indicators that increase vulnerability to those risks.

Their Social Vulnerability Index (SoVI®) is used by governments and researchers to assess community risk and assist policymakers plan for emergency response and mitigation measures.

According to this data, the highest risk within the district is in Sullivan, Cameron and Forest Counties in Pennsylvania, and Pocahontas, McDowell and Webster Counties in West Virginia.

In 2021, a federal disaster was declared in six counties in southwestern West Virginia due to flash flooding, with 343 homes damaged. The vast majority (85%) of impacted households were living in poverty. West Virginia, in its 5-Year Consolidated Plan, established a priority to address flood-prone homes through repair and relocation of repetitive flood loss properties.

Addressing Credit Needs and Market Opportunities

To address credit needs and market opportunities, FHLBank supports our member financial institutions' efforts to finance affordable housing and community and economic development. The primary way we do this is through a suite of statutory and voluntary community products. In 2023, 2024, and 2025, FHLBank's Board allocated a total of 15% of the prior year's pre-AHP assessment net income for community investment products and initiatives. This includes our 10% statutory requirement and 5% of the prior year's pre-AHP assessment net income to voluntary products and initiatives. Listed below is a snapshot of our 2026 product offerings:

Statutory

- AHP – creates or preserves affordable housing. Members partner with a developer to apply for a grant through a competitive process.
  - FFD – is a set-aside of AHP where members apply for closing costs and down payment assistance for first-time homebuyers earning 80% or less of the AMI.
- CLP – offers discounted advances to members with qualified community lending activity. CLP combines the eligibility of the required Community Investment Program and the broader eligibility under the Community Investment Cash Advances regulation.

Voluntary

- Home4Good – provides grants to projects, programs and activities that help those who are experiencing homelessness or are at risk of becoming homeless. Home4Good is offered through the three state housing finance agencies in our district through a structured partnership. Members participate by affirming support for the areas to receive Home4Good funding and many members offer to help the organizations supported.
- BOB – provides secondary financing in conjunction with a member's first loan to help small businesses that would not otherwise meet the member's underwriting standards.
- Blueprint Communities – creates momentum to help revitalize communities by training local leaders to capitalize on their community's assets by developing a long-term community plan. Members participate in the training and planning and help finance community projects.
- Voluntary Housing Grant Initiative – provides additional funding to support affordable housing projects in Delaware, Pennsylvania and West Virginia. This offering is separate and distinct from AHP.
- Keys – expands access to homeownership opportunities for first-generation, first-time homebuyers earning at or below 120% of the area median income.

FHLBank established the following broad priorities based on the needs identified in the DNA report:

- Expanding affordable housing supply
- Supporting vulnerable populations
- Advancing wealth and racial equity
- Enhancing economic and community development
- Addressing climate-related challenges

FHLBank engages in multiple actions to support affordable housing and community development initiatives:

- Continuing a voluntary allocation of 5% of the prior year's pre-AHP assessment net income (in addition to the statutory 10%) to community products and initiatives
- Continuing to offer a suite of community investment products, while exploring opportunities to streamline execution, including use of new technology platforms that support community investment products and initiatives

- Engaging members and community stakeholders, including member awards
- Optimizing community product use among members and community stakeholders
- Participating in FHLBank System collaborations and initiatives
- Exploring ideas to support increasing the affordable housing supply, heirs' property/tangled title challenges and disaster relief and resiliency
- Expanding opportunities to share our value and impact messages.

In addition to the actions above, the following chart provides high-level actions planned by FHLBank in 2026, and actions for future consideration.

Priorities	Action Plan (2026 actions in **bold**, future actions for consideration in *italics*)
Expanding affordable housing supply	▪ **Continue AHP/voluntary housing grant initiative priority scoring for preserving long-term affordability, rehabilitation, rural areas and preserving existing subsidized housing** ▪ **Continue the voluntary housing grant initiative** ▪ **Maintain the percentage of the statutory AHP allocated to the general fund** ▪ **Explore opportunities to expand impact and increase effectiveness by making policy changes, enhancing technology, streamlining community investment product requirements and processes, and coordinating with other funders** *Future considerations:* ▪ *Support initiatives to increase access to capital for affordable housing*
Supporting vulnerable populations	▪ **Continue AHP/voluntary housing grant initiative priority scoring for homeless, special needs and other targeted populations, and rental housing for extremely low-income households** ▪ **Continue Home4Good** *Future considerations:* ▪ *Create new or enhanced partnerships with organizations serving vulnerable populations* ▪ *Explore options to use alternative income standards for affordable housing products* ▪ *Support projects with lower development costs and/or accessibility features*

Advancing wealth and racial equity	▪ **Continue AHP/voluntary housing grant initiative priority scoring for projects located in under-served areas, and sponsorship by Native American Tribes** ▪ **Offer FFD and Keys** ▪ **Explore a new product or initiative to address heirs' property/tangled title** *Future considerations:* ▪ *Support financial literacy and increased access to credit and capital initiatives* ▪ *Explore a new initiative supporting Native American communities*
Enhancing economic and community development	▪ **Continue AHP/voluntary housing grant initiative priority scoring for consistency with community plan** ▪ **Continue Blueprint Communities and BOB** *Future considerations:* ▪ *Explore a new product or initiative supporting CDFIs* ▪ *Support capacity building and projects involving workforce training* ▪ *Support initiatives to improve access to capital for economic and community development* ▪ *Support rental projects in areas with workforce housing shortages*
Addressing climate related challenges	▪ **Continue to temporarily allow vacant AHP-assisted rental units to be leased to individuals (regardless of their income) who were displaced by certain recent disasters** ▪ **Explore a new product or initiative addressing disaster relief and resiliency** ▪ **Relief funding to assist areas with disaster declarations** *Future considerations:* ▪ *Support energy audits, weatherization, and energy efficiency retrofits and initiatives* ▪ *Support hazard mitigation and resiliency projects in flood prone areas*

Addressing Significant Affordable Housing Needs through AHP

In 2026, FHLBank will address the significant affordable housing needs and meet the statutory and regulatory requirements under AHP by:

- Optimizing our community products in 2026 in a dynamic market environment.
- Allocating a portion of the AHP subsidy to FFD, a set-aside for low-income, first-time homebuyers, which addresses one of three statutory requirements.
- Continue the use of the scoring methodology under AHP's General Fund that aligns with the findings in the DNA report and the Plan, including:
    - Two statutory scoring requirements: 1) Use of donated or conveyed government-owned or other properties and 2) Sponsorship by a not-for-profit or government entity; and
    - Scoring categories addressing significant needs in our district as outlined below.
    - Continue to assess the affordable housing needs in Delaware, Pennsylvania and West Virginia.

The community investment products continue to be in high demand, and engagement with community stakeholders and our Advisory Council will continue.

FHLBank will continue to use outcome metrics and equitable scoring metrics, which measures AHP/VHG awards by tenure (rental and owner-occupied), geography (urban and rural), and in-district state. The outcomes framework is designed to address priority housing needs based on the DNA report with input from the Advisory Council and are measured over three years. FHLBank management establishes the framework, including target AHP outcomes. The 2025 AHP outcomes focus on supporting projects involving rental housing, preservation, homeless households, persons with special needs and homeownership in under-served areas.

FHLBank, in consultation with the Advisory Council, may modify the 2026 outcomes based on the DNA report and the results of the 2025 AHP/voluntary housing grant initiative funding round.

The equitable scoring metrics framework is designed to measure relative parity in approval rates over a three-year average between states, project tenure and rural and urban geographies. FHLBank management establishes the framework in consultation with the Advisory Council. FHLBank will not establish a Targeted Fund in 2026. We will include the scoring below in the 2026 Implementation Plan, which will be approved by the FHLBank Board in February 2026.

2026 AHP Scoring vs DNA report findings supporting the 2026 AHP scoring

2026 AHP Scoring	DNA report findings supporting the 2026 AHP scoring
Income targeting	The lower a **household's income**, the more likely it is that they will experience housing challenges. Paying a substantial share of income on housing leaves less money for food, healthcare, transportation and the ability to save, which increases housing insecurity.

Underserved communities and populations ▪ Housing for homeless households ▪ Housing in rural areas ▪ Rental housing for extremely low-income households ▪ Special needs populations and veterans	The DNA report demonstrates a significant need to support those who are experiencing **homelessness or are at-risk of homelessness**, which includes a list of vulnerable populations. Renters who earn less than **30% of the AMI** experience financial instability and are at a high risk of homelessness. The DNA report also describes the needs of **people with special needs and veterans. Rural areas** are challenged by fewer financial resources and service providers/ developers, lower incomes and development challenges.
Creating economic opportunity ▪ Promotion of empowerment ▪ Residential economic diversity – housing in areas of opportunity, which are middle to higher income areas	**Supportive housing, with wraparound services and other types of training and services,** enables more successful pathways to housing stability and a better quality of life, which housing alone cannot achieve. Providing housing opportunities for low-income families in **"areas of opportunity"** can provide better access to jobs and schools.
Community stability ▪ Community planning ▪ Historic property rehabilitation ▪ Owner-occupied rehabilitation ▪ Preservation of existing subsidized housing ▪ Rehabilitation of existing properties ▪ Sustained affordability	Affordable housing development can have a positive impact on the well-being of the community. Consistency with **community planning** ensures community support and broader alignment with a local vision. Home **repair and rehabilitation** are needed due to aging housing stock and the inability of many low-income families to afford repairs. Stabilizing communities involves **property improvements** that may remove blight, adaptively reuse properties, and renovations of **historic properties,** which are community assets. The need also includes the **preservation of affordable rental housing** where subsidized apartments with expiring restrictions may begin to increase rents, further limiting the supply of affordable rental units. Development models and structures that **extend affordability** periods help maintain and **sustain** the supply of affordable units in the market.
FHLBank district priorities ▪ Projects located in underserved areas ▪ Projects in FHLBank's district ▪ Subsidy per unit	**Lower-income communities lack investment, affordable housing and economic development. Opportunity Zones have been identified as underserved locations needing additional investment. Black and Latino renter households** are more likely to experience housing challenges regardless of income, and within the district, there is a 30-point difference in **homeownership rates** between white, Black or Latino households. The DNA report illustrates a need to increase the affordable housing supply, as well as a significant need in **Delaware, Pennsylvania and West Virginia.**

Community Lending and Affordable Housing 2025 Performance and 2026 Goals

2025 Goal Performance as of Oct. 31, 2025

Goal Title	2025 Goal	2025 Performance As of Oct. 31, 2025
1. Apply a dynamic approach to community support and member engagement; address district needs		
a. Optimize community product use among members and community stakeholders	1. Community products include: AHP / the voluntary housing grant initiative, CLP, BOB/BOBIE and FFD/Keys; Target is 164 member uses. 2. Continue voluntary allocation of 5% of the prior year's pre-AHP assessment net income (in addition to the statutory 10%) to community products and initiatives. 3. Commit all funds available for each community investment product.	▪ As of Oct. 31, 2025, there have been 167 member uses of community products, exceeding the target metric. ▪ The voluntary allocation of 5% was achieved. ▪ All funds were committed to all community investment products.
b. Streamline and automate community investment products	1. Implement enhancements to policy, processes and product parameters addressing FHFA guidance and FHLBank-generated streamlining opportunities. 2. Implement a technology solution for the automation of community products.	▪ Enhancements regarding FHFA streamlining were implemented. These enhancements included revising the AHP Implementation Plan to exclude the operating pro forma from subsidy need determinations and permitting the inclusion of supportive services within the operating pro forma. Additionally, a streamlined process now allows the use of feasibility guidelines from certain affordable housing funders in lieu of FHLBank's guidelines. Furthermore, FHLBank's feasibility review forms were revised to remove questions that were not tied to a regulatory or Implementation Plan requirement. ▪ A new technology platform for CLP is nearing completion with a launch scheduled for first quarter 2026

c. Engage members and community stakeholders	1. Provide technical assistance resources and educational opportunities to both members and key program participants; Continue to explore and provide new opportunities for outreach to key stakeholders. 2. Conduct at least 10 listening sessions with members and community stakeholders. 3. Participate in FHLBank System collaborations and initiatives. 4. Present FHLBank Pillars of the Community member award.	▪ FHLBank completed connections with 11 strategic partners, facilitated 26 member-developer matches, and made 699 outreach connections with members and community stakeholders. ▪ FHLBank participated in multiple information sharing and collaborations with FHLBank community investment teams. ▪ In lieu of listening sessions, FHLBank conducted several developer workshops, focus groups, and roundtable events with stakeholders, as well as a series of member meetings and forums to receive input and feedback. ▪ FHLBank presented the FHLBank Pillars of the Community member award at member appreciation events in 2025, with First Citizens Community Bank and Citizen Bank of West Virginia as the two 2025 recipients.
d. Community investment strategy	1. Create a strategy, including recommendations on opportunities to provide community-focused support to address needs and enhance impact.	▪ FHLBank's community investment strategy is incorporated in this Targeted Community Lending Plan via the 2026 goals and future considerations.
e. Blueprint Communities	1. Continue to support 2024 Blueprint Communities cohort. 2. Develop a Blueprint cohort recruitment video. Complete final two group training sessions and graduate the 2024 cohort.	▪ FHLBank supported the 2024 Blueprint cohort through training sessions, grants and technical assistance. The cohort's graduation is planned for November 2025. ▪ A Blueprint Communities recruitment video will be ready for use by year-end.

2. Continue to promote affordable, sustainable, equitable and resilient housing and community investment		
a. Support CDFI/HFA/Native Americans	1. Create a new product or initiative targeted to support CDFIs, state housing finance agencies and/or Native American communities.	▪ FHLBank assessed new product options, and will continue to evaluate our future opportunities.
b. FHLBank System at 100 report	2. Assess opportunities identified in the FHLBank System at 100 report to address housing and community needs.	▪ FHLBank continued to focus on the district's needs and identify opportunities to enhance impact and effectiveness.
c. Continue to explore opportunities to support fair lending, diverse persons, and communities	1. Continue two Special Purpose Credit Programs: Banking On Business Inclusion and Equity Fund (BOBIE) and Keys 2. Present FHLBank Diversity Equity and Inclusion (DEI) membership award.	▪ BOBIE and Keys were offered in 2025, and 100% of funds available were committed. ▪ No member nominations for the DEI award were received in 2025.

FHLBank 2026 Goals

Apply a dynamic approach to community support and member engagement; address district needs

- Optimize community product use among members and community stakeholders in a dynamic market environment
    - Community products include: AHP / the voluntary housing grant initiative, CLP, BOB and FFD/Keys; Target is 155 member uses
    - Continue voluntary allocation of 5% of the prior year's pre-AHP assessment net income (in addition to the statutory 10%) to community products and initiatives
    - Continue offering community investment products and commit all funds available for the community investment products
- Create a community investment strategy, including recommendations on opportunities to provide community-focused support to address needs and enhance impact, including working with CDFIs
- Continue to support 2024 cohort of communities participating in the Blueprint Communities initiative, and initiate planning for a new Delaware cohort in 2027

- Engage members and community stakeholders, including member awards
    - Present FHLBank Pillars of the Community member award
    - Provide technical assistance, connections, and educational opportunities

Promote affordable, sustainable, and resilient housing along with vibrant communities; leverage new technology and product streamlining to increase efficiency and impact

- Create or identify and disburse allocated funds to a new product or initiative targeted to support Heirs' property/tangled title, and Disaster Relief and Resiliency. Continue current policies and actions, and explore new opportunities to expand the affordable housing supply
- Continue to participate in FHLBank System collaborations and initiatives
- Implement enhancements to policy, processes and product parameters addressing FHFA guidance and FHLBank-generated streamlining opportunities
- Implement a technology solution for the automation of community products, including in 2026 launching a new platform for the Community Lending Program
- Continue to implement and explore opportunities to refine our community products and enhance opportunities to support underserved populations and communities



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