



FHLBank
Chicago

Community Investment Programs: AHP & DPP

November 1, 2023

Community Investment & Diversity, Equity, and Inclusion

Introduction

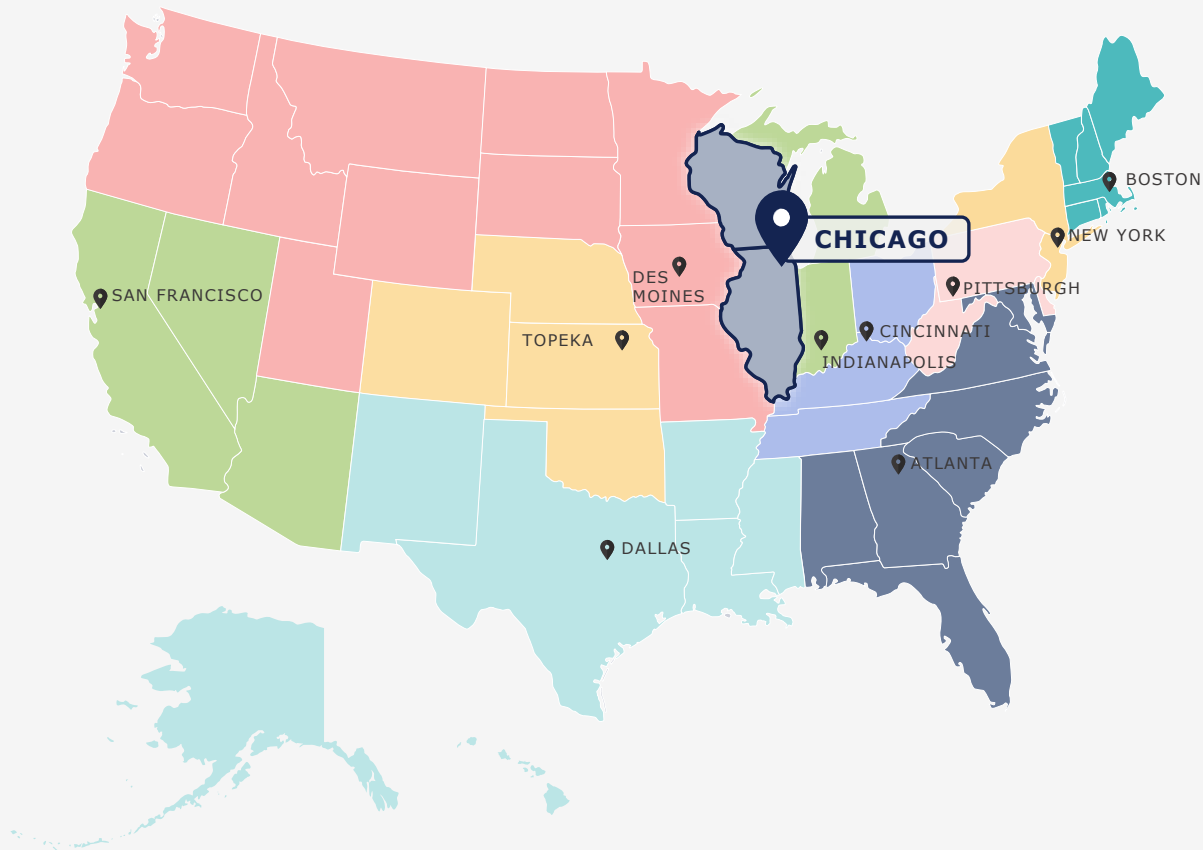


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The Federal Home Loan Bank System



FHLBank Overview

- Chartered by Congress in the 1930's to bolster homeownership
- 11 districts across the US
- Each Bank is a member cooperative that provides liquidity to its members to support their housing and community lending activities
- Regulated by the Federal Housing Finance Agency
- Significant contributors to **affordable housing** and **economic development** initiatives across the nation

COMMUNITY INVESTMENT PRODUCTS

REGULATORY



COMPETITIVE
AFFORDABLE
HOUSING PROGRAM
(AHP)



DOWNPAYMENT
PLUS® PROGRAMS
(DPP®)

- DPP®
- DPP® Advantage

VOLUNTARY



COMMUNITY
ADVANCES

- Housing
- Development
- Small Business



COMMUNITY
FIRST®
PROGRAMS

- Community First Fund
- Accelerate Grants for Small Business
- Diverse Developer Initiative
- Housing Counseling Resource Program



Funding for FHLBank Chicago AHP Programs

In 2023:

DPP®

\$42M allocation

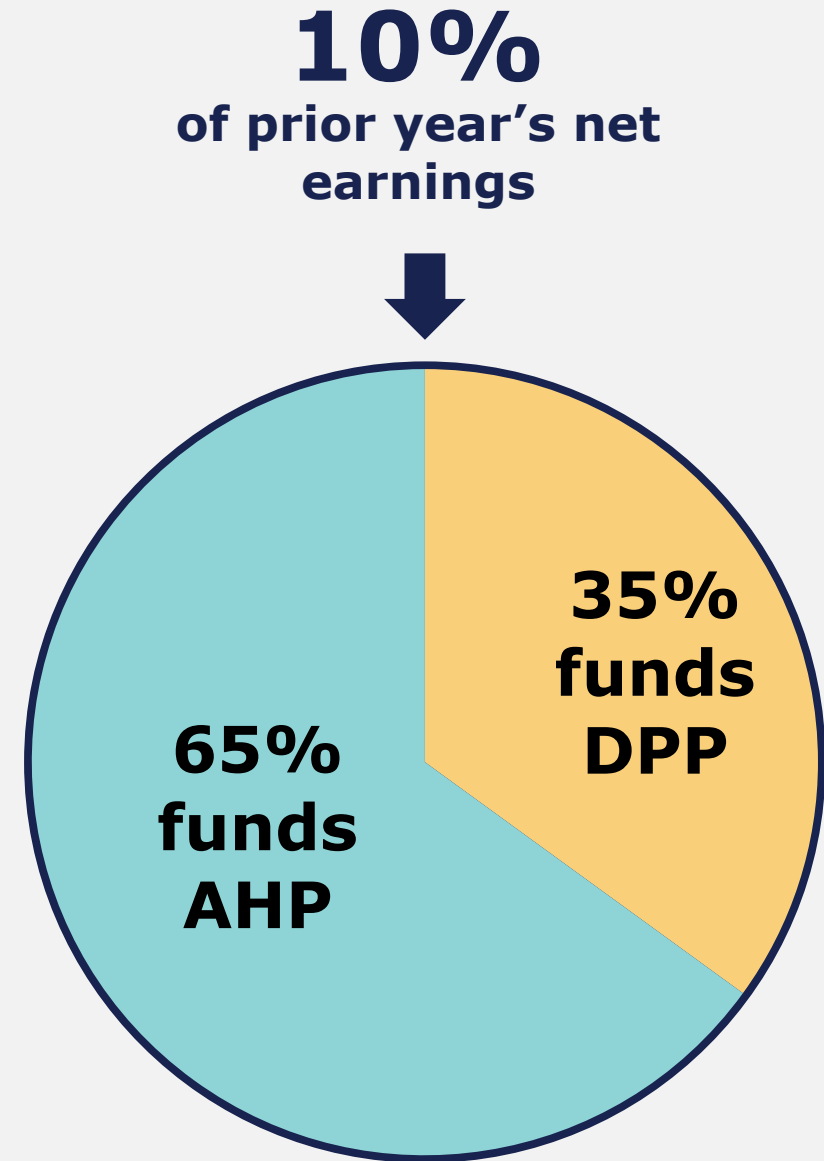
(35% plus additional funding)

3,000+ grant reservations

AHP

\$32M allocation

40+ awarded projects



Affordable Housing Program (AHP)

Affordable Housing Program (AHP)

AHP provides critical **gap financing** for the purchase, construction, or rehabilitation of affordable rental and owner-occupied projects.

- Forgivable grants of up to **\$1,000,000** or $\leq 75\%$ of the total development cost (whichever is less)
- Subsidy per Unit:
 - Owner-occupied acquisition only: **\$10,000** per unit
 - All other projects: **\$25,000** per unit



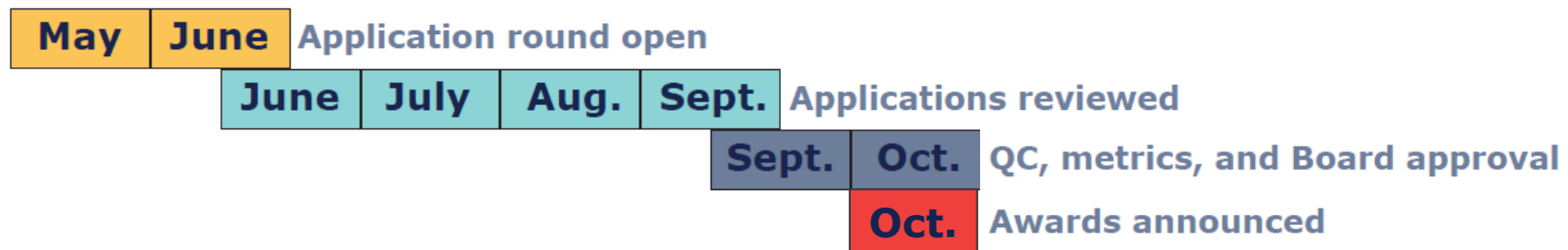
2023 AHP Round

Sponsors (developers, community organization, not-for-profits, or public entities) work with FHLBank Chicago **member institutions** to access funding.

- Member lists available online for [Wisconsin](#) and [Illinois](#)
- No requirements on which member you work with
- Member applicant must be an FHLBank Chicago member at time of application and AHP subsidy disbursement
- Applications made to more than one FHLBank may be ineligible

2024 Key Dates

DATE	ACTION
May 6, 2024	Sponsors may begin initiating applications in AHP Online.
June 14, 2024	Application submission deadline (5:00 PM CST)
Late October 2024	Awards announced and Subsidy Agreements available
January 2025	Subsidy disbursement begins





Eligible Projects

Rental Projects

- Purchase, construction, or rehabilitation of a rental project
- At least 20% of households must have income \leq 50% of AMI)

Owner-Occupied Projects

- Purchase, construction, or rehabilitation of an owner-occupied projects by or for very low-, low-, or moderate-income households
- Household income \leq 80% of AMI

More affordable units = higher score!

Eligible Uses of Funds

Rental Projects

Hard or soft costs directly related to acquisition or development of housing:

- Land acquisition
- Construction of new units
- Acquisition and/or rehabilitation of existing units

Owner-Occupied Projects

Hard or soft costs directly related to acquisition or development of housing:

- Construction of new units or rehabilitation of existing units
- Down payment assistance (acquisition projects) and closing costs
- Homebuyer education and counseling

AHP Scoring Guidelines

SCORING SYSTEM

- 100-point scoring system
 - **Fixed point** categories: “all or nothing”
 - **Variable-point** categories: ranges based on inputs
- Project-dependent (cannot score 100)
- Highest-scoring projects awarded until all funds are committed



Scoring Category	2023 Point Value
Donated/Discounted or Gov. Property	5
Project Sponsorship by Nonprofit	5
Income Targeting	20
Housing for Homeless Households	5
Housing for Special Needs Populations	5
Rural Housing	7
Large Family Units	3
Residential Economic Diversity	5
Rehabilitation of Existing Occupied Housing	9
Preservation of Homeownership	7
In-District Projects	8
Low-Income Minority Areas	4
Development Team Inclusion	4
Permanent Supportive Housing	5
Energy Efficiency and Sustainability	3
Projects of 24 or Fewer Units	5

Scoring Guidelines: New for 2023

- **New Category:**
 - **Energy Efficiency and Sustainability**
(3 points)

Success Story: AHP General Fund

Project	Prairie Heights Residences
Sponsor	West Central Wisconsin Community Action Agency INC
Member	Citizens Community Federal National Association
Location	Eau Claire, Wisconsin
Grant Amount	\$900,000
Use of Funds	New construction of 60 units (≤30-80% AMI) - homeless, special needs, PSH
Year	2021



Downpayment Plus (DPP) Program

FHLBank Chicago DPP Program Overview

- Maximum grant is **\$10,000** per household
- Homebuyer **net contribution of \$1,000**; or **25%** of the first mortgage amount
- Reservations **first-come, first-served**, up to **\$700,000** per member
- **Grants are forgiven 1/60th per month over 5 years**, and secured with a **retention agreement**
- Assisted **homebuyers may purchase a property in any state where the member does business**, as long as the member is originating or funding the first mortgage
- Pairs easily with other down payment assistance funds



Lower Your Borrowing Costs

Up to \$10,000
available for the
purchase of your
home



Borrower Roles & Responsibilities

- **Apply for first mortgage** financing with participating FHLBank Chicago [member](#)
- Provide **executed purchase contract** for the property
- Provide **evidence of household income** ($\leq 80\%$ AMI)
- **Complete homebuyer education and counseling** with an approved partner
- Contribute **$\geq \$1,000$ (net)** to the purchase transaction

Homebuyer Resources

Downpayment Plus Program

+ Downpayment Plus

+ Downpayment Plus Advantage

+ Program Elements

+ Member and Borrower Roles and Responsibilities

+ Application and Eligibility

+ Are You a Homebuyer?

+ Contact

DPP Participating Lenders			
Marketing Contact			
Member name	Contact Name	City	State
Allied First Bank,sb	Tammy L. Theiner	Oswego	IL
Associated Bank, National Association	Eduardo Herrera-Mier	Milwaukee	WI
Badger Bank	Mitch Weyer	Johnson Creek	WI
Bank & Trust Company	Jay Rogers	Chatham	IL
Bank First, National Association	Melissa Pharis	Kiel	WI
Bank Five Nine	Shane LaMacchia	Glendale	WI
Bank of Belleville	JoAnn Bohnenstiehl	Belleville	IL
Bank of Deerfield	Tracy Goodman	Deerfield	WI
Bank of Gibson City	Janna L Friday	Gibson City	IL
Bank of Hillsboro, N.A.	Kim Meyer	Staunton	il
Bank of Milton	Amanda Benway	Milton	WI
Bank of Pontiac	Robert Meiner	Pontiac	IL
Bank of Prairie du Sac	Linda Oelke-McNamer	Prairie du Sac	WI
Bank of Rantoul	Darcy R. Baker	Rantoul	IL
Bank of Springfield	Frank Stefano	Springfield	IL
Bank of Sun Prairie	Gabby Loeffler	Sun Prairie	WI

<https://www.fhlbc.com/community-investment/downpayment-plus-programs>

https://www.fhlbc.com/docs/default-source/community-investment/downpayment-plus-programs/participating-lenders-2023.xlsx?sfvrsn=d5df945b_91

Resources

AHP & DPP Forms, Policies, and Guidance available online at www.fhlbc.com/community-investment

- [AHP 2024 Implementation Guide](#)
- [AHP Guide for Sponsor Applicants: Rental & Owner-Occupied](#)
- [AHP Video Guides](#)
- [AHP Self-Scoring Worksheet: Rental & Owner-Occupied](#)
- [DPP Resource Page](#)

Technical Assistance

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- We encourage your questions!