

Community Lending Program (CLP)

Join the community banks that are helping to improve their bottom line while working with civic leaders to improve their communities! The Community Lending Program is an \$825 million revolving, noncompetitive source of discounted FHLBank advances.

CLP advances can be made in support of specific community and economic development projects, to match-fund packages of mortgage and small business loans, or both. Available financial structures – driven by the member – include lines of credit, fixed- and variable-rate loans, fixed rates up to 30 years, a forward rate lock option and permanent, construction or bridge financing.

Benefits to Members

- Available at FHLBank's cost of funds – typically 20 to 40 bp below the Bank's regular loan rates
- Permits pass-through and mark-up options
- Mitigates interest rate risk by match-funding
- Offers terms that can be structured to members' objectives
- Deepens member relations with the public and private sectors
- Can enhance a member's CRA standing.

How to Participate

FHLBank members simply submit an application with pertinent accompanying data. The application process is open year-round, with processing typically completed within 5-10 working days. CLP funds must be drawn down within 90 days of loan origination.

Program Qualifications

To qualify for CLP funding, any one of the following criteria must be met:

- The project is located in a neighborhood where the median income is at or below the program's targeted income level (100% of AMI for Urban areas and 115% for Rural areas).
- Located in a federal empowerment zone, enterprise community or champion community; areas impacted by federal military base closings; areas under the Community Adjustment and Investment Program/Brownfield Tax Credits; Federal/State disaster areas; Indian areas.
- 51% of the families or individuals place at or below the program's targeted income level – creating or retaining jobs for those who most need them.
- The beneficiary is a small business as defined by the Small Business Act and SBA.

Housing projects/activities must involve the purchase, construction or rehabilitation of, or predevelopment financing of housing that meets one of the following guidelines:

- 1) Individual owner-occupied housing units, each of which is purchased or owned by a family with an income at or below 115% of AMI
- 2) Projects involving multiple units of owner-occupied housing in which at least 51% of the units are/will be purchased by families with incomes at or below 115% of AMI
- 3) Rental housing where at least 51% of the units are occupied by, or rents are affordable to, families with incomes at or below 115% of AMI.

Detailed information on program requirements is posted at www.fhlp-pgh.com. Technical assistance is available from Community Investment Department staff by calling: 1-800-288-3400.

"Through CLP, we are able to provide municipalities with a cost-effective option to pay for special community projects. We have been able to utilize this program over the past few years. It's a win/win for all parties involved."

– Randall Black, CEO, First Citizens National Bank