



Purpose

To provide members with deeply discounted advances (initially 0%) for financing eligible small business projects located in low- to moderate-income census tracts within the Federal Home Loan Bank of Chicago's (FHLBank Chicago) district. Eligible advances are priced below the FHLBank Chicago's Community Advance rate.

Program Requirements and Guidelines

- Members' loans must be for eligible small business projects located in Illinois or Wisconsin.
- The application must include documentation verifying the following:
 - Each project qualifies for both indicated beneficiary types (Geographic and Activity Beneficiary).
 - Evidence the interest rate on the underlying loan does not exceed the FHLBank Chicago's established limit of 4.5%.
- The estimated number of jobs created (anticipated) and/or retained (current employees) must be stated in the application.
- If a loan is participated to another institution, the amount of the loan retained by the member applicant is eligible for the discounted rate.
- Limits apply to the amount of outstanding Community Small Business Advances:
 - The overall program limit is \$10,000,000 in interest rate subsidy with a \$500,000 individual member limit.
 - Subsidy is available on a first-come first-served basis.
 - The subsidy will be calculated based on the applicable Community Advance rate in effect on the day of application approval.
 - Community Small Business Advances do not impact limits associated with other Community Advance programs.
- The interest rate charged to the member's customer for the underlying loan will be limited to up to 4.5%.
- The advance is considered a match funding to an individual underlying loan. Portfolios are not eligible — one loan per application.
- Members will submit an application for an initial advance reserve approval followed by certification of compliance at advance draw.

Advance Structure

- Zero-percent (0%) interest rate advance available to a member with limited pass-through interest rate of up to 4.5% to member's borrower (underlying loan).
- Fixed rate, fixed term advance (A121); refer to Member Products Guide.
- Minimum advance size of \$100,000; maximum advance size may not exceed the amount of the underlying loan.
- Maximum advance size capped by member subsidy limit of \$500,000.
- Advance term is limited to a minimum of one year and a maximum of ten years; the term cannot exceed that of the underlying loan.
- The underlying member loan can not be greater than 90 days old at the time of the advance draw.
- The advance is subject to standard capital stock and collateral requirements.
- The member will be required to repay the advance when the underlying loan is prepaid by their customer, participated, or syndicated. No pre-payment fee (penalty and fees may apply — see Compliance below for additional details).

Compliance

- Prior to advance draw, member must certify to the following:
 - Confirmation of date, amount, interest rate, and term of the underlying loan.
 - Certification of compliance with program terms and information provided at application/reservation approval.
- Periodic ongoing certification (annually calendar year) that the member's customers' loans are still current and have not pre-paid, been syndicated or participated.
- Penalty fees and interest charge: the member may be charged fees and/or interest by the Bank if the underlying loan has pre-paid or has been participated or syndicated and not reported to the Bank within one compliance reporting period.



Eligible Small Business Projects

Projects must meet both of the following criteria:

	Project Requirements	Documentation Requirements
Geographic Beneficiaries	The underlying small business borrower is located in a targeted geographic area — a census tract with a median income at or below 100% of the area median income (urban or rural).	to www.ffiec.gov for census tract data for the business location. <ul style="list-style-type: none">• Click on Geocoding/Mapping System• Enter address, then click “Search”• Click “Get Census Demographic” Results of “Tract Median Family Income” field will be used to determine eligibility. Please submit FFIEC results with the application.
Activity Beneficiaries	Underlying small business borrower must be defined as a small business meaning a “small business concern,” as that term is defined by section 3(a) of the Small Business Act (15 U.S.C. § 632(a) and implemented by the Small Business Administration under 13 C.F.R. Part 121, or any successor provisions. Definition is based on type of business; size standards will be determined by annual receipts or number of employees. Consult with Community Investment staff or refer to the SBA website	If qualified based on annual receipts, submit copy of schedule from most recent tax return or audited financial statements to verify receipts. If qualified based on number of employees, submit recent reports from third-party payroll provider or quarterly reporting to state to confirm number of employees.

1. General Information

Member Name: _____ Member Number: _____

Contact Person: _____ Title: _____

Telephone Number: _____ Extension: _____

Email Address: _____

2. Credit Information

Advance

Amount of Credit: _____

Term of Advance^(a): _____

Funding Date of Advance^(b): _____

Interest rate charged on the underlying loan to the member's customer: _____ % (maximum of 4.5%, include applicable underlying loan documentation to evidence the rate being charged).

(a) Term of advance requested from FHLBC should not exceed term of underlying loan.

(b) Underlying loans must have been closed no more than three months prior to receiving the Community Small Business Advance.



3. Project Information

Purpose of Financing (Check the appropriate box or boxes)

- ☐ New Construction ☐ Acquisition/Purchase ☐ Refinance ☐ Rehabilitation ☐ Working Capital
☐ Other (Specify): _____

Is the project located in a rural area? Rural area is defined as either (a) a unit of general local government with a population of 25,000 or less; (b) an unincorporated area outside a Metropolitan Statistical Area (MSA); or (c) an unincorporated area outside a MSA that qualifies for housing assistance from the United States Department of Agriculture.

- ☐ Yes ☐ No

Please provide a brief description of the proposed project(s):

4. Project Type (Please check one)

Purpose of Financing (Check the appropriate box or boxes)

- ☐ Commercial and Economic Development (Complete Section 6 and worksheet)
☐ Mixed-Use – Residential and Commercial (Complete Sections 5, 6, and worksheet)

For Mixed-Use projects, please indicate portion of project that is economic development: _____ %

5. Mixed-Use Project (Complete if project has both residential and non-residential components)

For projects that include rental housing, please submit a unit mix with monthly rental rates.

Number of Residential Units: _____

Income Target of Households (indicate the number of units in each category)

Up to 50% AMI: _____ 51–60% AMI: _____ 61–80% AMI: _____ 81–115% AMI: _____ > 115%: _____

6. Economic Development

Number of jobs created or retained:

Number of jobs created or retained: _____

- | | | | | |
|---|--|--|---|--|
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Commercial Office | <input type="checkbox"/> Commercial Retail | <input type="checkbox"/> Commercial Wholesale | <input type="checkbox"/> Day Care |
| <input type="checkbox"/> Education | <input type="checkbox"/> Health Care | <input type="checkbox"/> Heavy Industrial | <input type="checkbox"/> Hotel | <input type="checkbox"/> Infrastructure |
| <input type="checkbox"/> Light Industrial | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Public Facilities | <input type="checkbox"/> Recreation | <input type="checkbox"/> Social Services |
| <input type="checkbox"/> Other — Please describe: _____ | | | | |

7. All projects must qualify under A and B below:

A. Geographically Defined Beneficiaries

- ☐ The project is located in a census tract with a median income at or below 100% of the area median income (AMI). Applications must include project address on attached worksheet for the qualified geographically defined beneficiary.

B. Activity Beneficiary

- ☐ The project meets the Small Business Administration (SBA) definition of a small business. (Consult with Community Investment staff or refer to the SBA website.) Applications with qualified activity beneficiaries must include documentation of annual receipts or number of employees for each business.

NAICS Code: _____

Annual Receipts: _____

OR

Number of Employees: _____



8. Authorized Signature

The undersigned duly authorized officer, acting with full authority to make the certifications below on behalf of the member, hereby certifies that:

(1)The information provided in this application is true, complete, and accurate and appropriate steps were taken to ensure its accuracy. This project meets the eligibility requirements of the Community Small Business Advance Program.

(2)The member will comply with the provisions of the Community Investment Cash Advance Program pursuant to Section 1430 of the Federal Home Loan Bank Act, regulations of the Federal Housing Finance Agency (12 CFR Part 1292), and guidelines and requirements of the FHLBank Chicago.

(3)For projects that also receive funds from another targeted federal economic development program that has income targeting requirements that are the same as, or more restrictive than, FHLBank Chicago targeting requirements, the borrower certifies that compliance with the criteria of such federal economic development program meets FHLBank Chicago requirements (attach borrower certification).

Authorized Signature: _____

Officer Name (please print) _____

Officer Title: _____ Date: _____

Email the completed application, worksheet, and required documentation to:
Community Investment Group
Email: CICA@fhlbc.com

Questions? Contact Community Investment at 312-565-5824

Allow a minimum of 24 to 48 hours processing time for application approval.



Small Business Project Worksheet ^(c)

Loan #: _____

Name of Borrower/Business: _____

Loan Amount: _____

Business Type: _____

Address: _____

City: _____

County: _____

State: _____

ZIP+4 Code: _____

Loan Date ^(d): _____

Loan Term: _____

Additional Details:

- (c) A member-generated form is acceptable, provided that it includes all of the above data fields.
- (d) A previously originated loan must have been closed no more than three months prior to receiving the Community Advance.