

**Frequently Asked Questions about the
FHLBank Chicago's
COVID-19 Relief Program
In Effect as of April 27, 2020**

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COVID-19 Relief Program

1. What is the purpose of the COVID-19 Relief Program?

We are pleased to announce that the Board of Directors of the Federal Home Loan Bank of Chicago (FHLBank Chicago) has approved approximately \$30 million for a COVID-19 Relief Program consisting of **zero-rate advances** and **grants** that are available to all of our member institutions.

The COVID-19 Relief Program opens on Monday, April 27, with funds available through Friday, May 22. In addition to the COVID-19 Relief Program, we have also increased funding for the Community First[®] Capacity-Building Grant Program to support nonprofit lenders in your communities.

2. Can \$30 million in the COVID-19 Relief Program meet the demand of all members and associate members?

Yes. FHLBank Chicago has budgeted sufficient funds for all members to take advantage of the program. A portion of the \$30 million will be allocated via an interest rate subsidy on \$2.76 billion in interest-free advances to members, with every member to draw up to \$4 million in an interest-free advance, subject to credit and collateral requirements, and to receive up to \$20,000 in grant funds.

3. Is the Relief Program first come, first served?

The amount of funds allocated for the Relief Program by FHLBank Chicago would allow all members and associate members to request the full amount available for the Relief Advance and Relief Grant. If member demand exceeds our operational capacity to process requests within the request week, the member will receive Relief Program funds on a subsequent Friday.

COVID-19 Relief Advance

Overview

4. What is the COVID-19 Relief Advance?

The COVID-19 Relief Advance (Relief Advance) provides FHLBank Chicago members a zero-rate advance for a one-year term under the A121 Fixed Rate Fixed Term advance product to support liquidity needs resulting from the COVID-19 economic crisis.

5. Can \$30 million in the COVID-19 Relief Program meet the demand of all members and associate members requesting a Relief Advance?

Yes. A portion of the \$30 million will be allocated via an interest rate subsidy on \$2.76 billion in interest-free advances to members, with every member to draw up to \$4 million in an interest-free advance, subject to credit and collateral requirements. FHLBank Chicago has budgeted sufficient funds for all members to participate in the program.

6. Is the Relief Advance first come, first served?

There are sufficient funds for any member to draw up to \$4 million in an interest-free advance. If member demand exceeds our operational capacity to process requests within the request week, the member will receive COVID-19 Relief Advance funds on a subsequent Friday.

7. Will FHLBank Chicago have enough in funds for my institution to receive up to \$4 million in the Relief Advance?

Yes, the FHLBank Chicago has allocated enough funds in the Relief Program so that all members and associate members could receive the full amount of advance available. A reminder that all collateral and advance eligibility requirements apply, and the Requested Advance Amount is a one-time only election made on the application submitted by the member institution.

8. What is the interest rate for the Relief Advance?

The Relief Advance has an interest rate of 0%. When factoring in the impact of the activity stock dividend, members would currently receive an additional 9.4 bps benefit, assuming a 5% dividend, 0.25% alternative investment rate, and 2% capitalization.

9. Can I adjust the term of the advance to be shorter or longer than one year?

No, the Relief Advance has a one-year maturity based on the settlement date.

10. Are there limits on how much a member can borrow under the Relief Advance program?

The maximum Relief Advance amount per member is \$4 million, but members may choose to borrow less than \$4 million. Members may only execute one advance against the program (i.e., members cannot execute multiple advances that sum up to \$4 million).

Request Process and Application

11. Can all FHLBank Chicago members request the Relief Advance?

All FHLBank Chicago members and associate members are eligible for the Relief Advance; however, members must meet all standard collateral, credit, capital stock, and other eligibility requirements on the settlement date.

12. What is the application process?

Any individual with Advance Transact authorization can complete a Relief Advance application on behalf of their institution. Once completed, the form should be emailed to ReliefAdvance@fhlbc.com for processing. Relief Advance applications will be processed on a first-come, first-served basis. Applications submitted and processed between 8:00 a.m. on Monday through 3:00 p.m. CST on Thursday will be scheduled to fund on that Friday. The FHLBank Chicago reserves the right to delay funding to the subsequent week or weeks depending on member demand.

13. Where can I find the Relief Advance application?

The Relief Advance application can be found on the [COVID-19 Resource Center](#).

14. How do I download the application?

The Relief Advance application can be found on the [COVID-19 Resource Center](#), the application is located on the drop-down labeled “COVID-19 Relief Program Applications.” Click on the link to download the application, this will bring you to a new browser page featuring the application form. In the upper right hand corner, click on the “Download”  icon and save the file to your desktop computer. Once the application has finished downloading, open your desktop files and locate the application you have just downloaded. The application should open in Adobe. Then you may fill out the necessary fields and click on the button at the bottom of the form to return the completed form to FHLBank Chicago.

What if I do not have Adobe or my firewall system prevents me from downloading PDFs?

Click on the link to download the application, then print out the application. Complete the application with all of the necessary information and either scan or take a photo of the completed form. Attach the scanned or the photo of the completed document and email it back to ReliefAdvance@fhlbc.com.

15. Over what time period will Relief Advance applications be accepted?

The program will be available for four weeks: Monday, April 27 – Friday, May 22. Relief Advance applications will be accepted between Monday, April 27 and Thursday, May 21 by 3:00 p.m. CST.

16. Should members expect to receive a confirmation of their Relief Advance request?

Members can expect to see a confirmation via email that their advance request has been received. An advance request will be funded on a weekly basis on Fridays, with some requests possibly funded on the subsequent Friday. You will receive an additional advance confirmation when the request is processed. If you have further questions regarding the process, please email ReliefAdvance@fhlbc.com.

[Common Application Questions](#)**17. How will the Relief Advance be capitalized?**

All Relief Advances will be capitalized at 2% under the Reduced Capitalization Advance Program (RCAP).

18. Where do I locate my Member Number to include on the Application for the Relief Advance?

You may locate your Member Number by accessing our [eBanking system](#); your name and Member Number appears on the upper right part of the eBanking screen pages. If you have any issues finding your Member Number, please contact your Sales Director.

19. I'm not an individual with Advance Transact authorization for my member institution. Can I still submit an application for the Relief Advance?

Only individuals with Advance Transact authorization may submit the application.

20. My member institution has multiple individuals with Advance Transact authorization. Who should submit the application?

Only one individual with Advance Transact authorization should submit the application on behalf of the member institution. Make sure before you submit the application that the Advance Requested Amount is accurate for the needs of your member institution and that all authorized users have agreed as only one advance may be transacted against the program (i.e. members cannot execute multiple advances that sum up to \$4 million).

21. Is there any supporting documentation required?

Outside of the Relief Advance application, there are no additional documentation requirements.

22. When will members receive their Relief Advance funds?

Members will receive a Notification of Commitment for Forward-Starting Advance once the application has been processed that will indicate the Funding Date. While the FHLBank Chicago has allocated enough funds for all member and associate member institutions to execute a Relief Advance up to \$4 million, the Bank may be limited in how many advance requests can be processed within a single week, and may roll forward requests for the subsequent Friday depending on member demand.

23. Does the Relief Advance include additional compliance requirements for the members?

No, there are no additional compliance requirements associated with the Relief Advance. The Relief Advance is not tied to a member's lending activity (as Community Advances are).

24. Are there any prepayment penalties if I decide to prepay the Relief Advance?

No, there are no prepayment penalties and the advance can be prepaid at any time, but additional Relief Advance funds may not be requested after full or partial prepayment of the Relief Advance.

Other

25. My institution is in the process of a merger or acquisition. Am I able to participate in the Relief Advance? What about the other institution?

Yes, as long as the advance funds are received before the merger. The other institution, whether it is the surviving institution or not, can also request funds as long as they are also a member of FHLBank Chicago and their funds are received before the merger.

26. Who do I contact if I have questions?

Questions can be directed to your Sales Director or by emailing MTD@fhlbc.com.

COVID-19 Relief Grant Program

Overview

27. What is the COVID-19 Relief Grant?

The COVID-19 Relief Grant (Relief Grant) provides FHLBank Chicago members a forgivable grant of up to \$20,000 to support small businesses and nonprofit organizations in their communities impacted by the COVID-19 pandemic.

28. Can \$30 million in the COVID-19 Relief Program meet the demand of all members and associate members requesting a Relief Grant?

Yes, the FHLBank Chicago has budgeted sufficient funds for all members to request up to \$20,000 for the Relief Grant.

29. Is the Relief Grant first come, first served?

There are sufficient funds for any member to request the full \$20,000 amount available for a Relief Grant. If member demand exceeds our operational capacity to process requests within the request week, the member will receive COVID-19 Relief Grant funds on a subsequent Friday.

30. Can all FHLBank Chicago members request the Relief Grant?

All FHLBank Chicago members, including housing associates and non-depository community development financial institution (CDFIs), can apply for up to \$20,000 to support small businesses and nonprofit organizations in their communities.

31. Is there a member limit?

Members can request up to \$20,000 to support one or multiple beneficiaries. A member's Relief Grant application must reflect the total grant funds they are seeking for all anticipated beneficiaries. The member decides how to allocate the \$20,000 among beneficiaries.

32. Will FHLBank Chicago have enough in funds for my institution to receive up to \$20,000 in the Relief Grant?

Yes, the FHLBank Chicago has allocated enough funds in the Relief Program so that all members, including housing associates and non-depository CDFIs could receive the full grant amount available. A reminder that the Amount Requested is a one-time only election made on the application submitted by the member institution.

Request Process and Application

33. What is the application process?

Members need to complete and submit one Relief Grant application to ReliefGrant@fhbc.com, which includes all of their beneficiaries. All members can receive up to \$20,000 if they submit a Relief Grant application in the allotted time period. Applications submitted and processed between 8:00 a.m. on Monday through 3:00 p.m. CST on Thursday will be scheduled to fund on that Friday. The FHLBank Chicago reserves the right to delay funding to the subsequent week or

weeks depending on member demand.

34. Where can I find the Relief Grant application?

The Relief Grant application can be found on the [COVID-19 Resource Center](#).

35. How do I download the application?

The Relief Grant application can be found on the [COVID-19 Resource Center](#), the application is located on the drop-down labeled “COVID-19 Relief Program Applications.” Click on the link to download the application, this will bring you to a new browser page featuring the application form. In the upper right hand corner, click on the “Download”  icon and save the file to your desktop computer. Once the application has finished downloading, open your desktop files and locate the application you have just downloaded. The application should open in Adobe. Then you may fill out the necessary fields and click on the button at the bottom of the form to return the completed form to FHLBank Chicago.

a. What if I do not have Adobe or my firewall system prevents me from downloading PDFs?

Click on the link to download the application, then print out the application. Complete the application with all of the necessary information and either scan or take a photo of the completed form. Attach the scanned or the photo of the completed document and email it back to ReliefGrant@fhlbc.com.

36. Over what time period will Relief Grant applications be accepted?

The program will be available for four weeks: Monday, April 27 – Friday, May 22. Relief Grant applications will be accepted between Monday, April 27 and Thursday, May 21 by 3:00 p.m. CST.

37. The grant application asks if the beneficiary is a Minority or Women’s Business Enterprise. What does this mean? And, is it required that the beneficiary represents a Minority or Women’s Business Enterprise?

A business may be classified as a Minority or Women’s Business Enterprise (MBE or WBE) if 51% of its ownership is of minority ethnicity or female, respectively. Minority ethnicities include American Native or Alaskan Native, Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Grant beneficiaries are not required to be Minority or Women’s Business Enterprises. The FHLBank Chicago is collecting this information for reporting purposes.

38. How and when will members receive their Relief Grant funds?

Members submitting a Relief Grant application by 3:00 p.m. CST on the Thursday within the weekly funding period will receive grant funds Friday through their FHLBank Chicago DID account. While the FHLBank Chicago has allocated enough funds for all member and associate member institutions to execute a Relief Grant up to \$20,000, FHLBank Chicago may be limited in how many grant requests can be processed within a single week, and may roll forward requests for the subsequent Friday depending on member demand.

39. Should members expect to receive a confirmation of their Relief Grant request?

Members can expect to receive confirmation via email that their grant request has been received.

A grant request will be funded on a weekly basis on Fridays, with some requests possibly funded on the subsequent Friday. You will receive an additional grant confirmation once the request is funded. If you have further questions regarding the process, please email

ReliefGrant@fhlbc.com

Common Application Questions

40. Where do I locate my Member Number to include on the Application for the Relief Grant?

You may locate your Member Number by accessing our [eBanking system](#); your name and Member Number appears on the upper right part of the eBanking screen pages. If you have any issues finding your Member Number, please contact your Sales Director.

41. I'm not sure if I'm a duly authorized officer of the Federal Home Loan Bank of Chicago. Should I submit an Application for the Relief Grant?

A duly authorized officer has the full authority to make the certifications required by the application. A reminder that one grant request should be submitted for each member institution. FHLBank Chicago encourages you to coordinate the grant needs and determine who should submit the application on behalf of your institution. As a reminder, members may only execute one grant against the program (i.e., members cannot execute multiple grants that sum up to \$20,000).

42. Is there any supporting documentation required?

The member does not have to provide supporting documentation to evidence their small business and/or nonprofit beneficiaries; however, the member does need to provide basic information about the beneficiaries. If not provided at the time of application, members will receive a follow up request from the FHLBank Chicago requesting this information.

Beneficiaries

43. What types of organizations are eligible beneficiaries of the Relief Grant?

Eligible beneficiaries include small businesses, as selected by the members, including housing associates and non-depository CDFIs and nonprofit organizations in Illinois and/or Wisconsin (excluding FHLBank Chicago members).

44. How many small businesses and nonprofit beneficiaries can a member support through their Relief Grant?

There is no limit on the number of small businesses and nonprofit beneficiaries a member can support through their Relief Grant. A member may only submit one Relief Grant application, for up to \$20,000. A member decides how to distribute the grant funds.

45. Do members need to identify beneficiaries before submitting the Relief Grant application?

Members are highly encouraged to identify their small business and nonprofit beneficiaries at the time they are submitting a Relief Grant application. If beneficiaries are not yet identified, they can leave that section blank; however, the FHLBank Chicago will follow up to request this

information at a later date.

46. Do members need to fund their beneficiaries prior to submitting the Relief Grant application?

No, members may fund their beneficiaries before or after submitting the Relief Grant application. FHLBank Chicago does not require evidence of payment to the beneficiary.

47. When do members need to deploy the grant funds to beneficiaries?

Ideally, members deploy funds within 30 days of receipt, but the FHLBank Chicago understands that a different timeline may better meet the needs members are addressing in their communities.

Other

48. Does the Relief Grant include compliance requirements for the member or beneficiaries?

No, there are no compliance requirements associated with the Relief Grant; however, members must provide beneficiary information to the FHLBank Chicago, either at time of application or subsequently.

49. Will the FHLBank Chicago provide a 1099 form to beneficiaries?

No, the FHLBank Chicago will not provide a 1099 form to grant recipients. Beneficiaries are responsible for determining the tax implications of receiving a Relief Grant.

50. My FHLBank Chicago member institution is in the process of a merger or acquisition. Am I able to participate in the Relief Grant? What about the other institution?

Yes, as long as the grant funds are received before the merger. The other institution, whether it is the surviving institution or not, can also request funds as long as they are also a member of FHLBank Chicago and their funds are received before the merger.

51. Who do I contact if I have questions?

Questions can be directed to ReliefGrant@fhlbc.com.

Community First® Capacity-Building Grant Program

Overview

52. What is the Community First Capacity-Building Grant Program?

The Community First Capacity-Building Grant Program (Capacity-Building Grant) provides funding for nonprofit lenders, helping them to strengthen their financial position, operational efficiency, and/or human capital in support of affordable housing and economic development lending in Illinois and Wisconsin.

53. Can all FHLBank Chicago members apply for a Capacity-Building Grant?

All FHLBank Chicago members, including housing associates and non-depository community development financial institution (CDFIs), can apply for up to \$50,000 to support a nonprofit lender with a lending footprint in Illinois and/or Wisconsin.

54. Is there a member limit?

Currently there is no member limit for the Capacity-Building Grant Program; however, the FHLBank Chicago retains the right to limit subsidy to any one member.

Application

55. What is the application process?

Qualifying nonprofit lenders can apply for up to \$50,000 in grant funds through Friday, May 22. Applications must be submitted through one of FHLBank Chicago's member institutions. The application and supporting documentation should be submitted to ci@fhlbc.com. After internal review, select applicants will be invited to submit additional information.

56. Over what time period will Capacity-Building applications be accepted?

Capacity-Building Grant Program applications will be accepted through Friday, May 22.

57. Where can I find the Capacity-Building application?

The Capacity-Building Grant Program application can be found on the [Capacity-Building Grant Program webpage](#). This page is located on the drop-down menu labeled "Community Investment" on fhlbc.com, from the drop-down menu select "Community First Programs," then select the button for the "Community First Capacity-Building Grants" webpage. Towards the bottom of this page under "Capacity-Building Resources" you can find the "2020 Capacity-Building Grant Program Application."

Beneficiaries

58. What types of organizations are eligible beneficiaries of the Capacity-Building Grant Program?

Eligible beneficiaries include, but are not limited to, nonprofit community development financial institutions (CDFIs), community development loan funds (CDLFs), and community development corporations (CDCs).

59. When will Capacity-Building Grant Program recipients be announced?

The FHLBank Chicago anticipates making award announcements in late August.

60. How will grant recipients receive funds?

Grant recipients must request disbursement of grant funds within six months of executing the grant agreement through the FHLBank Chicago member that sponsored their application. The member will advance the grant funds; the FHLBank Chicago will reimburse the member through their DID account.

Other

61. What supporting documentation is required?

In addition to the application, nonprofit lenders must submit evidence of nonprofit status and good standing. Applicants invited to submit additional information will be asked to send more detailed materials including, but not limited to, a detailed budget, loan portfolio performance reporting, etc.

62. Does the Capacity-Building Grant Program include compliance requirements?

Yes, grant recipients are required to provide compliance reporting for at least two years post-award.

63. Who do I contact if I have questions?

Questions can be directed to ci@fhlbc.com.