



Community Investment Program

The Community Investment Program (CIP) is a discounted Advance program offered by the FHLB Cincinnati to encourage members to increase their involvement in housing and economic development projects. The program is designed to provide financing at the FHLB's cost of funds (including administrative costs) for the purchase, construction, rehabilitation, refinancing of, or predevelopment for eligible housing projects and economic development projects that meet certain criteria.

The Community Investment Program will remain open as long as funds are available.

What is an eligible project?

Housing projects

Housing projects include single-family homes, duplexes, apartment buildings, condominiums, etc. If the project involves the refinancing of rental housing or manufactured housing parks, the equity proceeds of the refinancing must be used to rehabilitate the projects or to preserve affordability for current residents.

Eligible housing projects must meet one of the following criteria:

- Individual owner-occupied housing units, each of which is purchased or owned by a family with an income at or below 115 percent of Area Median Income ([AMI](#)) for a family of four;
- Project involves multiple units of owner-occupied housing in which at least 51 percent of the units are owned or are intended to be purchased by families with incomes at or below 115 percent of AMI for a family of four;
- Rental housing where at least 51 percent of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below 115 percent of AMI for a family of four; or,
- Manufactured housing parks where: At least 51 percent of the units in the project are occupied by, or the rents are affordable to, families with incomes at or below 115 percent of AMI for a family of four; or,
- The project is located in a neighborhood with a median income at or below 115 percent of AMI for a family of four.

Economic development projects

Eligible economic development projects involve commercial, industrial, manufacturing, social service, and public facility projects and activities, as well as public or private infrastructure projects such as roads, utilities, and sewers.

Eligible economic development projects must meet one of the following criteria:

- The project is located in a neighborhood with a median income at or below 80 percent of AMI; or,
- The project is located in a Champion Community, Empowerment Zone, Enterprise Community, Indian area, Alaskan Native Village, Native Hawaiian Home Land, or Federally or State Declared Disaster Area; or,
- The annual salaries of at least 51 percent of the permanent full- and part-time jobs, computed on a full-time equivalent basis, created or retained by the project (other than construction jobs) are at or below 80 percent of AMI for a family of four; or,
- At least 51 percent of the families who otherwise benefit from (other than through employment), or are provided services by, the project have incomes at or below 80 percent of AMI for a family of four.

Examples of eligible economic development projects include construction of a healthcare facility in an underprivileged neighborhood, refinancing of the permanent financing on a grocery store, etc.

Mixed-use projects

For mixed-use projects, both the housing and economic development components of the project must meet the appropriate targeted income levels for the program (i.e. 115 percent of AMI for the housing component and 80 percent of AMI for the economic development component).

What is the member's role?

A member may submit an online CIP application for the financing of qualified housing or economic development projects on which the financing transaction was closed within the last three months. In such instances, the member should complete the CIP application as normal, documenting the details of the project and noting when the project was closed.

Pricing and member limits

CIP Advances are priced daily and will not exceed the FHLB's cost of funds, adjusted for reasonable administrative costs. CIP Advances are made on a secured basis only, subject to the normal underwriting and collateral policies of the FHLB as outlined in the FHLB's Credit Policy Manual. A member's usage in a given calendar year is limited to the lesser of: the member's Additional Borrowing Capacity; \$100 million in combined annual Community Investment Program and Economic Development Program approvals (Advances and Letters of Credit); or, the unused portion of the \$1.25 billion aggregate CIP and EDP revolving loan fund.

Types of eligible Advances

The member may secure a CIP rate on the following fixed-rate, mortgage-related Advances:

- Balloon Payment Advance
- Regular Fixed Rate Advance
- Callable Advance

- Select Payment Mortgage Matched Advance
- Constant Monthly Payment Advance
- Regular Mortgage Matched Advance

A minimum term of one year is required, and any exceptions will be evaluated on an individual basis, subject to the FHLB's discretion.

Letters of Credit

Under the CIP, a member may also apply for a discounted Standby Letter of Credit (SLC) or a Direct Pay Letter of Credit (DPLC). In such instances, the fee on the SLC is reduced from \$100 plus 15.0 bps on the amount requested to \$50 plus 10.0 bps on the amount requested. Similarly, on a DPLC, the fees are reduced from \$250 plus 37.5 bps on the amount requested to \$100 plus 20.0 bps on the amount requested. In order to apply for a SLC or DPLC, a member should indicate the request for a SLC or DPLC in the Project Information section of the CIP application.

Application guidelines and processing

Member institutions applying for CIP Advances should complete and submit an online CIP application that describes the eligible activity for which the funds will be used to the Housing & Community Investment Department. CIP applications are typically processed within two business days of the online submission. After approval and the member's receipt of an approval letter, the transaction is treated as a normal credit transaction that requires the completion and submission of the appropriate Advance application to the Credit Services Department. Funds are disbursed into the member's Demand Deposit Account with the FHLB. CIP funds must be drawn, or the CIP rate locked, within 12 months of approval.

Members submitting an online CIP application must certify on the form that the project being funded meets the requirements of the program. In instances where the project receives funds from another targeted Federal program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the CIP, the member may certify that compliance with the criteria of the Federal program meets the criteria for this program and include documentation of the alternative targeting requirements.

All applications must specify the complete project address(s) and activity for which the funds will be used.

Additional information and technical assistance

For more information on the CIP, please see the program definitions or for assistance, contact the Housing & Community Investment Department toll-free at (888) 345-2246 or email us at cica@fhlbcin.com.

For FHLB's Members Only assistance, please contact our Service Desk at (800) 781-3090.

Community Investment Program resources

[Community Investment Program](#)

- CICA Training [[PDF](#)]

- [Community Investment Cash Advances Definitions](#)
- [HUD Median Income Guidelines](#)
- Online Application Instructions [[PDF](#)]