



2012 Community Support Program and Targeted Community Lending Plan

December 15, 2011

Effective January 1, 2012

Policy Information

Document Title:	Community Support Program and Targeted Community Lending Plan
Content Owner:	Housing and Community Development (HCD)
Certification of Compliance Contact:	N/A
Policy Category:	FHLBank Policy
FHLBank-Level Approver:	Policy Oversight Group
Board-Level Approver:	Full Board (Housing & Governance)
Review Frequency:	Annually
Initial Effective Date:	January 1, 2012
Last Review Date:	December 16, 2010
Next Review Date:	December 2012

I) Introduction.

This FHLBank Policy, governed by the board of directors, sets forth the provisions of Federal Home Loan Bank of Topeka's (FHLBank's) Community Support Program and Targeted Community Lending Plan (Plan) as required by 12 C.F.R Parts 952, 1290, and 1291. FHLBank's board of directors shall adopt this written Plan at least annually and FHLBank shall publish its current Plan on its website within 30 days after the date of adoption. This Plan includes many of the programs and activities undertaken by FHLBank in the area of community support, but it is not intended to be a complete description of all FHLBank programs and activities directed at enhancing housing and community development.

II) Overview.

A) Purpose. The purpose of this Plan is to set forth the policy and provisions as required by the Federal Housing Finance Agency's (FHFA) regulations. This Plan is established to promote and enhance affordable housing and community development in the Tenth District (FHLBank's District) by providing loans, grants and other assistance to members to provide financing for eligible targeted community lending at the appropriate targeted income levels.

B) Scope. This Plan provides the framework and guidance for the following Plan programs and initiatives:

- 1) Affordable Housing Program (AHP), including Homeownership Set-aside Program (HSP)
- 2) Community Investment Cash Advance (CICA) Programs, which include:
 - (a) Community Housing Program (CHP)
 - (b) Community Housing Program *Plus* (CHP *Plus*)
 - (c) Community Development Program (CDP)
 - (d) Housing and Community Development Emergency Loan Program (HELP)
- 3) Joint Opportunities for Building Success (JOBS)
- 4) Rural First-time Homebuyer Education Program (RFHEP)
- 5) Awards, technical assistance and other outreach as well as partnerships with federal, state and local housing and community development organizations.

C) Applicable Statutory and Regulatory Provisions. Applicable provisions of the Federal Home Loan Bank Act (Act) and the regulations of the FHFA supersede this Plan, and any actions taken hereunder shall be consistent with such provisions. The applicable FHFA regulations include but are not limited to 12 C.F.R. Parts 952, 1290, and 1291.

D) Defined Terms. Terms used within this Plan and in all applicable agreements, forms, applications and FHLBank's website shall have the meanings as set forth in Exhibit A to the AHP Implementation Plan (AHP IP), which is available on FHLBank's website.

E) Affordable Housing Advisory Council (Advisory Council). Per 12 C.F.R. §1291.4, the board of directors shall appoint an Advisory Council of 7 to 15 members. These members shall reside in FHLBank's District and shall be drawn from the community and not-for-profit organizations that are actively involved in providing or promoting low-and moderate-income housing and community lending in FHLBank's District.

- 1) The Advisory Council shall meet quarterly with the board's Housing and Governance committee (HGC) to provide advice regarding how to carry out the housing finance and community lending mission of FHLBank, including but not limited to, advice on the low-and moderate-income

housing and community lending programs and needs in FHLBank's District, and on the use of AHP subsidies, FHLBank advances, and other FHLBank credit products for these purposes.

- 2) Prior to its adoption, the Advisory Council shall review the Plan and any subsequent amendments thereto, and provide its recommendations to the HGC.

F) Housing and Governance Committee. The HGC shall be the primary review venue for the oversight of all activities and initiatives regarding FHLBank's housing and economic development initiatives. Among other responsibilities, the HGC is charged with advising the board with respect to the following:

- 1) FHLBank's AHP IP;
- 2) AHP competitive awards;
- 3) Advisory Council Charter; and
- 4) Advisory Council appointments.

III) Market Research. FHLBank conducts market research every three to five years and both primary and secondary sources are used. Primary sources include consultation with members and economic development organizations within FHLBank's District and consultation with the Advisory Council. Secondary sources include an analysis of materials related to some of the classes of CICA-targeted beneficiaries such as plans for designated Empowerment Zones, Enterprise Communities and Champion Communities. Other materials reviewed but not related to CICA-targeted beneficiaries include each FHLBank District state's Consolidated Plan for Housing as well as Consolidated Plans prepared for larger communities, census data, publications applicable to the district, rural resources and state and local sources.

In 2009, FHLBank conducted a survey of members and housing organizations related to housing needs in the district. The results of this survey indicated a need for increased housing for low-income families (especially in the form of grants) and assistance for first-time homebuyers. FHLBank focuses on these needs for its community support efforts. FHLBank shall continue to offer the CICA Programs that target low and moderate income households for both homeownership and rental opportunities. FHLBank shall continue to allow the CICA Programs to be used in conjunction with AHP, including the HSP.

The FHLBank system contracted with RealtyTrac to conduct a study of the foreclosure record of recipients of grants from FHLBank's homeownership competitive program and HSP. FHLBank continues to track foreclosure data based on legal filings against FHLBank's liens against homes funded by the homeownership competitive program and HSP.

HCD staff also partnered with Kansas State University on a series of community development academies, which provided financial support and training for small communities in the district. FHLBank shall continue to seek information on opportunities to enhance and promote housing and community development finance from members, nonmember borrowers, the Advisory Council and public and private housing and economic development organizations as part of the ongoing administration of the Plan and through participation in seminars and forums.

IV) Technical Assistance and Outreach.

FHLBank's HCD staff shall provide technical assistance to members and housing development organizations in FHLBank's District on an ongoing basis, including assistance in the preparation of AHP (except during the scoring process), CICA and JOBS applications as well as the applicable agreements and disbursement requests. Technical assistance activities include presentations and co-sponsorship of affordable housing workshops and seminars, individual on-site consultations with members and housing development organizations, continuous availability through phone contacts, and contacts to all new members upon approval of FHLBank membership. Information and links to other resources are provided on FHLBank's website at www.fhlbtpeka.com.

FHLBank offers technical assistance to assist members and communities in addressing local needs for affordable housing and economic development. FHLBank shall work cooperatively with federal agencies, members, local government entities and other interested parties to develop an understanding of local economic development and housing needs, both current and long-term. Technical assistance includes but is not limited to: (1) consulting with the participating groups on assessing and responding to economic development and housing needs, including the identification of organizations that can assist with those tasks; (2) assisting in the identification and documentation of any financing resources applicable to the identified economic development or housing projects; (3) promoting the use of FHLBank's products and programs; and (4) devoting a portion of FHLBank's website to AHP and CICA Programs.

V) Recognition Awards. FHLBank shall recognize exemplary performance by members in community support activities through the Community Leader Award (CLA) and other recognition awards such as plaques and certificates. These activities include member participation in the HSP, AHP, CHP/CDP and JOBS as well as member community support activities not involving FHLBank programs. FHLBank shall include award presentations as part of appropriate FHLBank programs, ground-breaking or ribbon-cutting ceremonies, or other appropriate circumstances.

VI) Quantitative Targeted Community Lending Performance Goals. Identified below are FHLBank's quantitative targeted community lending performance goals for 2012.

- A)** FHLBank shall fund CICA advance originations (CHP, CHP *Plus*, CDP, HELP) totaling \$550 million.
- B)** FHLBank shall have 100 members originating CICA credit products.
- C)** FHLBank shall have 12 percent (12%) of its members participating in CICA Programs
- D)** FHLBank shall have 15 new (first-time members) participating in the AHP/CICA Programs.

VII) FHLBank Current Programs. Identified below is a list of specific programs included in the Plan.

A) Affordable Housing Program. The AHP, including the HSP, is set forth in FHLBank's AHP IP.

B) Community Investment Cash Advance Programs. These are governed by FHLBank's Member Products Policy.

- 1) **Community Housing Program.** Under the CHP, FHLBank provides advances to members to finance homeownership opportunities and rental projects for low- and moderate-income households. See Exhibit A for program information.
- 2) **Community Housing Program *Plus*.** Under CHP *Plus*, FHLBank provides advances to members that allow the member to offer a discounted lending rate for low-income rental housing projects. See Exhibit B for program information.

- 3) **Community Development Program.** Under the CDP, FHLBank provides advances to members to finance commercial and economic development activities. See Exhibit C for program information.
- 4) **Housing and Community Development Emergency Loan Program.** HELP provides advances for members' financing in federally designated disaster areas. See Exhibit D for program information.

C) Joint Opportunities for Building Success. Through the JOBS program, FHLBank assists members in promoting employment growth in their communities. FHLBank shall provide up to \$1,000,000 in funding for JOBS. See Exhibit E for program information.

D) Rural First-time Homebuyer Education Program. FHLBank shall provide \$100,000 to support the RFHEP. A training curriculum for use by members and nonprofit housing counseling agencies in counseling prospective homebuyers on homeownership has been established. FHLBank shall support rural homeownership counseling while actively encouraging participating organizations to seek supplemental funding from other sources. The goal for 2012 is to support rural counseling in all four states in FHLBank's District, especially in those areas with HSP participating members. Additional information regarding FHLBank's HSP can be found in the FHLBank's AHP IP.

VIII) Notifications.

A) Notice of Programs to Members. FHLBank shall provide annually to each of its members a written notice identifying its CICA Programs and other activities that may provide opportunities for a member to meet the community support requirements and engage in targeted community lending. The notice shall also include a summary of targeted community lending and affordable housing activities undertaken by members, housing associates, nonprofit housing developers, community groups, or other entities in the FHLBank's District, that may provide the same such opportunities.

B) Community Support Requirement Notice. If a member is selected by the FHFA to submit a community support statement, FHLBank shall provide written notice to that member within 15 calendar days after publication by FHFA in the Federal Register that such member has been named in the FHFA notice. Such notice shall provide notification that the member has to submit a community support statement to FHFA by the deadline stated in the Federal Register notice published by the FHFA. FHLBank shall also provide notice to its Advisory Council and nonprofit housing developers, community groups, and other interested parties in its district of the name and address of each member within its district that has to submit a community support statement during the calendar quarter. If the FHFA determines the community support statement to be unacceptable, the member's access to credit with maturities of one year or longer will be restricted.

IX) Advisory Council Annual Report. The Advisory Council shall submit an annual report to FHFA that includes an analysis of the FHLBank's targeted community lending and affordable housing activities.

X) Conflict of Interest Policy. FHLBank's Code of Ethics, which is available on FHLBank's website, addresses conflicts of interest involving FHLBank directors, employees and Advisory Council members in regards to programs and activities undertaken by FHLBank in the area of community support.

- XI) **Minority and Women Inclusion.** The HCD department shall endeavor to promote diversity and the inclusion and utilization of minorities, women, individuals with disabilities, and minority-, women-, and disabled-owned businesses in the implementation of this Plan. More information may be found on FHLBank's website.

- XII) **Review of Plan.** This Plan shall be reviewed annually and revised as needed by the HCD department. Any such revisions shall be approved by the Policy Oversight Group and submitted for review and approval by HGC and the board.

- XIII) **Exhibits.**
 - A) **Exhibit A:** Community Housing Program Advances
 - B) **Exhibit B:** Community Housing *Plus* Program Advances
 - C) **Exhibit C:** Community Development Program Advances
 - D) **Exhibit D:** Housing & Community Development Emergency Loan Program Advances
 - E) **Exhibit E:** Joint Opportunities for Building Success

Exhibit A

Community Housing Program (CHP) Advances

The CHP is a special advance program authorized by 12 C.F.R. Part 952 (the CICA regulations). CHP provides members with wholesale loans (advances) priced below FHLBank's regular rates to help finance owner- and renter-occupied housing in their communities.

PROGRAM OBJECTIVE

To finance the construction, purchase, rehabilitation or refinance of owner-occupied and rental housing occupied by or affordable to households earning up to 115 percent of area median income (AMI).

COMMON USES

- Financing the construction, rehabilitation, purchase, or to refinance existing loans;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CHP-eligible housing projects;
- Making loans to entities that, in turn, make loans for CHP-eligible housing projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CHP program;
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CHP program; and
- Purchasing low-income housing tax credits.

TERMS AND CONDITIONS

CHP Advance Products and Programs

- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

Required Documents

A CHP application must be submitted to FHLBank's HCD department for confirmation of eligibility for the CHP. The application review is not a competitive process or subject to limits on the amount of funding available. An application may be obtained from FHLBank's website at <http://www.fhlbtpeka.com>.

When completing the application, members may request approval for (1) a specific project or loan; (2) anticipated CHP funding needs based on their estimate of the level of loans to be originated to CHP-qualified homeowners in the 12 months following approval of the CHP application; or (3) loans made to CHP-qualified borrowers for up to three months prior to submission of the CHP application. Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's Housing and Community Development Programs.

Limitations

Members must comply with FHLBank's credit procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CHP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CHP advances for their own benefit. The minimum amount of a CHP advance is \$10,000.

FHLBank shall not allow a member that is subject to a restriction on access to long-term advances (greater than one year) to participate in the CHP program. This restriction does not apply to CHP applications or funds approved before the date the restriction was imposed.

Advance Draws on Approved CHP Application

Members may request draws on an approved CHP application by contacting the Lending department. Multiple CHP advances may be drawn up to the total amount of approved CHP application amount. Members are not committed to taking the full amount of approved CHP application amount; however any unused CHP application amount shall expire 12 months from the date of the CHP application approval.

Qualifying Criteria

Single- and multifamily housing projects must meet the following CHP income qualifications:

1. Owner-occupied units that are or shall be occupied by households with incomes at or below 115 percent of the area median income for a three-plus person household utilizing Mortgage Revenue Bond income limits; or
2. At least 51 percent of rental units that are or shall be occupied by households with incomes at or below 115 percent of the area median income for a four person household utilizing HUD income limits; or
3. At least 51 percent of rental units that must have rents affordable to households at or below 115 percent of the area median income for a four person household utilizing HUD income limits. Rent is affordable if it is less than 30 percent of 115 percent of area median income. For example, a project located in a county for which 115 percent of median income equals \$32,000; the maximum CHP-qualified rent is \$800 ($\$32,000 * 30\% / 12 = \800).

Rate

CHP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CHP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CHP advance rate pricing must be applied on the date the advance is issued. CHP pricing cannot be approved for advances obtained by the member prior to approval of the CHP application. Members may establish the customer's loan rate above the CHP rate based on market rates or commitments to their customer.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the program, the interest rates on the outstanding CHP advances may be changed to the regular advance rates that were in effect at the time of the original funding. Members shall be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

Principal and Interest

Normal principal and interest collection applies. For details, refer to the specific advance program.

Term

CHP advances are available in maturities from four months to 30 years. Advance terms should be consistent with the proposed use of funds.

Prepayment Option

The normal prepayment fee shall apply to CHP advances. For details, refer to the specific advance program.

Collateral

CHP advances must be fully collateralized at the date of issuance and at all times thereafter. Please refer to the Collateral Guidelines section of the Member Products and Services Guide.

Documentation

FHLBank shall require members to certify that each project funded under a CHP program meets the respective targeting requirements of the CHP program. Such certification shall include a description of how the project meets the requirements, and where appropriate, a statistical summary or list of incomes of the borrowers, rents for the project, or salaries of jobs created or retained. For CHP-funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CHP program, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CHP program.

Availability

Members should allow 24 hours for processing a CHP application. Provided an approved CHP application is on file, CHP advances may be requested until 4 p.m. CT

What to Expect after Applying for CHP

1. The HCD department shall review the proposed project to be funded with a CHP advance and, if necessary, request follow-up information or documentation.
2. Following approval of the CHP application, HCD staff shall send the member a letter authorizing advances to be drawn on the approved CHP application based on the agreed upon conditions. FHLBank's Lending department shall be notified that the member has an approved CHP-application on file. The approval is valid for one year.
3. The member must call FHLBank's Lending department at 800.809.2733 to draw on the approved CHP application and must indicate the advance request is for an approved CHP project.
4. Within 60 days upon drawing on an approved CHP application, the member must provide the Initial Certification of Use of Advances form accompanied by a list of qualified home loans if not supplied with the CHP application. For CHP-funded rental projects, the member must also provide a copy of the note that documents the proceeds of the advance have been used for the approved CHP project. The Initial Certification of Use of Advances form is available on the FHLBank's website.
5. No annual verification is required for CHP program.

EXHIBIT B

COMMUNITY HOUSING PROGRAM *PLUS* (CHP *PLUS*) ADVANCES

The CHP *Plus* is a special advance program authorized by the CICA regulations. CHP *Plus* provides members with wholesale loans (advances) priced at FHLBank's cost of funds to help finance ***rental*** housing projects affordable to households at or below 80 percent of area median income (AMI) in their communities.

PROGRAM OBJECTIVE

To finance the construction, purchase or rehabilitation of ***rental*** housing occupied by or affordable to households earning up to 80 percent of area median income (AMI).

COMMON USES

- Financing the construction, rehabilitation, or purchase rental housing;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CHP *Plus*-eligible housing projects;
- Making loans to entities that, in turn, make loans for CHP *Plus*-eligible housing projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CHP *Plus* program;
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CHP *Plus* program; and
- Purchasing low-income housing tax credits.

TERMS AND CONDITIONS

CHP *Plus* Advance Products and Programs

- Regular Fixed Rate Advances
- Callable advances
- Amortizing Fixed Rate Advances
- Adjustable Rate Advances

Required Documents

A CHP *Plus* application must be submitted to FHLBank's HCD department for confirmation of eligibility for the CHP *Plus*. The application review is not a competitive process, but is subject to limits on the amount of funding available. CHP *Plus* applications are accepted throughout the year subject to the availability of funds. An application may be obtained from FHLBank's website at <http://www.fhlbtopeka.com>.

When completing the application, members may request approval to fund qualified rental projects up to 90 days before the effective date of the CHP *Plus* application or up to one year in advance of closing a CHP *Plus*-qualified loan for a rental unit or project. Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's Housing and Community Development Programs.

Limitations

Members must comply with FHLBank's credit procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CHP *Plus* advances cannot be used to finance any direct activity of the

member or an affiliate of the member. Members are precluded from using CHP *Plus* advances for their own benefit.

To qualify for CHP *Plus* funding, a rental project must show that it meets one of the following two CHP *Plus* criteria:

1. At least 51 percent of the units are or shall be occupied by households with incomes at or below 80 percent of the area median income for a four person household (referred to in this section as AMI); or
2. At least 51 percent of the units must have rents affordable to households at or below 80 percent of the AMI. Rent is affordable if it is less than 30 percent of 80 percent of AMI. For example for a project located in a county for which 80 percent of median income equals \$32,000; the maximum CHP *Plus*-qualified rent is \$800 ($\$32,000 * 30\% / 12 = \800)

FHLBank shall not allow a member that is subject to a restriction on access to long-term advances (greater than one year) to participate in the CHP *Plus* program. This restriction does not apply to CHP *Plus* applications or funds approved before the date the restriction was imposed.³⁹

FHLBank shall provide up to \$25 million in CHP *Plus* advances, and each project is limited to \$2 million. The minimum amount of a CHP *Plus* advance is \$10,000. Members are limited to no more than a 200-basis-point markup to their customer above CHP *Plus* advance rate. A member may obtain CHP *Plus* advances for no more than two projects per year. However, after June 15 if CHP *Plus* funds remain available, members may obtain CHP *Plus* advances for additional projects. CHP *Plus* applications are accepted throughout the year subject to the availability of funds.

Advance Draws on Approved CHP *Plus* Application

Members may request draws on an approved CHP *Plus* application by contacting the Lending department. Multiple CHP *Plus* advances may be drawn up to the total amount of approved CHP *Plus* application amount. Members are not committed to taking the full amount of approved CHP *Plus* application amount, however any unused CHP *Plus* application amount shall expire 12 months from the date of the CHP *Plus* application approval.

For those CHP *Plus*-qualified rental projects where the member is providing both construction and permanent financing, the member may elect to draw on the approved CHP *Plus* application during construction for the full term of the construction period and permanent loan rather than wait until completion of construction or taking two CHP *Plus* advances. This allows the member to lock in its cost of funds for the permanent loan during the construction period.

Rate

CHP *Plus* advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs. Callable, amortizing and adjustable rate CHP *Plus* advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CHP *Plus* pricing must be applied on the date the advance is issued. CHP *Plus* pricing cannot be approved for advances obtained by the member prior to approval of the CHP *Plus* application.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the program, the interest rates on the outstanding CHP *Plus* advances may be changed to the regular advance

rates that were in effect at the time of the original funding. Members shall be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

Principal and Interest

Normal principal and interest collection applies. For details, refer to the specific advance program.

Term

CHP *Plus* advances are available in maturities from four months to 30 years. Advance terms should be consistent with the proposed use of funds.

Prepayment Option

The normal prepayment fee shall apply to CHP *Plus* advances. For details, refer to the specific advance program.

Collateral

CHP *Plus* advances must be fully collateralized at the date of issuance and at all times thereafter. Please refer to the Collateral Guidelines section of the Member Products and Services Guide.

Documentation

FHLBank shall require members to certify that each project funded under a CHP *Plus* program meets the respective targeting requirements of the CHP *Plus* program. Such certification shall include a description of how the project meets the requirements, and where appropriate, a statistical summary or list of incomes of the borrowers, rents for the project, or salaries of jobs created or retained. For CHP *Plus* -funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CHP *Plus* program, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CHP *Plus* program.

Availability

Members should allow 24 hours for processing a CHP *Plus* application. Provided an approved CHP *Plus* application is on file, CHP *Plus* advances may be requested until 4 p.m. CT.

What to Expect After Applying for CHP *Plus*

1. The HCD department shall review the proposed project to be funded with a CHP *Plus* advance and, if necessary, request follow-up information or documentation.
2. Following approval of the CHP *Plus* advance, HCD staff shall send the member a letter authorizing advances to be drawn on the approved CHP *Plus* application based on the agreed upon conditions. FHLBank's Lending department shall be notified that the member has an approved CHP *Plus* application on file. The approval is valid for one year.
3. The member must call the FHLBank's Lending department at 800.809.2733 to draw on the approved CHP *Plus* application and must indicate the advance request is for an approved CHP *Plus* project.
4. Within 60 days upon drawing on an approved CHP *Plus* application, the member must provide the Initial Certification of Use of Advances form accompanied by a copy of the note that documents the proceeds

of the advance have been used for the CHP *Plus* approved project. The *Initial Certification of Use of Advances* form is available on the FHLBank's website.

5. No annual verification is required for CHP *Plus* program.

EXHIBIT C

COMMUNITY DEVELOPMENT PROGRAM (CDP) ADVANCES

The CDP is a special advance program authorized by the CICA regulations. The CDP is designed to increase members' involvement in their communities through the financing of commercial loans, small business and other community and economic development loans. CDP provides members with wholesale loans (advances) priced below FHLBank's regular rates to help members finance qualifying commercial loans, farm loans and community and economic development initiatives in the areas they serve.

PROGRAM OBJECTIVE

To finance commercial, agricultural, economic development and community development initiatives in urban and rural areas.

COMMON USES

- Financing the construction, rehabilitation, purchase, or to refinance existing loans;
- Purchasing a participation interest, or providing financing to participate, in a loan consortium for CDP-eligible projects;
- Making loans to entities that, in turn, make loans for CDP-eligible projects;
- Purchasing mortgage revenue bonds or mortgage-backed securities, where all of the loans financed by such bonds and all of the loans backing such securities, respectively, meet the eligibility requirements of the CDP program; and
- Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CDP program.

TERMS AND CONDITIONS

CDP Advance Products and Programs

Regular fixed rate advances
Callable advances
Amortizing fixed rate advances
Adjustable rate advances

Required Documents

A CDP application must be submitted to FHLBank's HCD department for confirmation of eligibility for the CDP. The application review is not a competitive process or subject to limits on the amount of funding available. An application may be obtained from FHLBank's website at <http://www.fhlbtpeka.com>.

When completing the application, members may request approval to fund qualified projects up to 90 days before the effective date of the CDP application or up to one year in advance of closing a CDP-qualified project. A CDP project may be a single loan or a pool of loans. Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's Housing and Community Development Programs.

Limitations

Members must comply with FHLBank's lending procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. CDP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using CDP advances for their own benefit. The minimum amount of a CDP advance is \$10,000.

FHLBank shall not allow a member that is subject to a restriction on access to long-term advances (greater than one year) to participate in the CDP program. This restriction does not apply to CDP applications or funds approved before the date the restriction was imposed.

Advance Draws on Approved CDP Application

Members may request draws on an approved CDP application by contacting the Lending department. Multiple CDP advances may be drawn up to the total amount of approved CDP application amount. Members are not committed to taking the full amount of approved CDP application amount; however any unused CDP application amount shall expire 12 months from the date of the CDP application approval.

For those CDP-qualified projects where the member is providing both construction and permanent financing, the member may elect to draw on the approved CDP application during construction for the full term of the construction period and permanent loan rather than wait until completion of construction or taking two CDP advances. This allows the member to lock in its cost of funds for the permanent loan during the construction period.

Qualifying Criteria

CDP-qualified financing includes loans to small businesses, small farms, small agribusiness, public or private utilities, schools, medical and health facilities, churches, day care centers or for other community and economic development purposes that meet **one** of the following criteria:

1. Loans to firms that meet the Small Business Administration's (SBA) definition of a qualified small business concern (available at <http://www.sba.gov/size/indehtableofsize.html>). To qualify firms cannot exceed SBA's established general size standards:
 - 500 employees for most manufacturing and mining industries
 - \$7 million in annual receipts for most retail and service industries
 - 100 employees for most wholesale operations
 - \$750,000 in annual receipts for farm operations
2. Financing for businesses or projects located in an **urban area** (as defined in the CICA regulations), i.e., a unit of local government with a population greater than 25,000, with a median income at or below 100 percent of area median. Median income information for CDP-eligible areas can be accessed by using the address locator available on the Federal Financial Institutions Examination Council (FFIEC) Geocoding System Web site at <http://www.ffiec.gov/geocode/default.htm>.
3. Financing for businesses, farms, ranches, agribusinesses or projects located in a **rural area** (as defined in the CICA regulations) i.e., a unit of local government with a population less than or equal to 25,000, with a median income at or below 115 percent of the area median. Median income information for CDP-eligible areas can be accessed by using the address locator available on the

Federal Financial Institutions Examination Council (FFIEC) Geocoding System Web site at <http://www.ffiec.gov/geocode/default.htm>.

4. Firms or projects located in a:
 - Federal Empowerment Zone, Enterprise Community or Champion Community (Information available at: http://egis.hud.gov/egis/cpd/rcezec/ezec_open.htm)
 - Native American Area (Information available at: <http://www.hud.gov/offices/pih/ih/codetalk/onap/map/nationalmap.cfm>)
 - Brownfield Area (Information available at: <http://www.epa.gov/swerosps/bf/plocat.htm>)
 - Federally Declared Disaster Area (Information available at: http://www.fema.gov/news/disaster_totals_annual.fema)
 - Community Adjustment and Investment Program (CAIP) Area (Information available at: <http://www.nadbank-caip.org>)
5. Businesses in **urban areas** in which at least 51 percent of the employees of the business earn less than 100 percent of the area median income.
6. Businesses in **rural areas** in which at least 51 percent of the employees of the business earn less than 115 percent of the area median income.

Rate

CDP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs, plus a reasonable allowance for administrative costs. Callable, amortizing and adjustable rate CDP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. CDP pricing cannot be approved for advances obtained by the member prior to approval of the CDP application.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the CDP, the interest rates on the outstanding CDP advances may be changed to the regular advance rate that was in effect at the time of the original funding. Members shall be given the opportunity to appeal such determinations before FHLBank implements any rate adjustment.

Principal and Interest

Normal principal and interest collection applies. For details, refer to the specific advance program.

Term

CDP advances are available in maturities from four months to 30 years. Advance terms should be consistent with the proposed use of funds.

Prepayment Option

The normal prepayment fee shall apply to CDP advances. For details, refer to the specific advance program.

Collateral

CDP advances must be fully collateralized on the date of issuance and at all times thereafter. Please refer to the Collateral Guidelines section of the Member Products and Services Guide.

Documentation

FHLBank shall require members to certify that each project funded under a CDP program meets the respective targeting requirements of the CDP program. Such certification shall include a description of how the project meets the requirements, and where appropriate, salaries of jobs created or retained. For CDP - funded projects receiving funds from another targeted Federal economic development program that has income targeting requirements that are the same as, or more restrictive than, the targeting requirements of the applicable CDP program, FHLBank shall permit the member to certify that compliance with the criteria of such Federal economic development program shall meet the requirements of the respective CDP program.

Availability

Members should allow 24 hours for processing a CDP application. Provided an approved CDP application is on file, CDP advances may be requested until 4 p.m. CT.

What to Expect After Applying for CDP

1. The HCD department shall review the proposed project to be funded with a CDP advance and, if necessary, request follow-up information or documentation.
2. Following approval of the CDP advance, HCD staff shall send the member a letter authorizing the advances to be drawn on the approved CDP application based on the agreed upon conditions. FHLBank's Lending department shall be notified that the member has an approved CDP application on file. The approval is valid for one year.
3. The member must call FHLBank's Lending department at 800.809.2733 to draw on the approved CDP application and must indicate the advance request is for an approved CDP project.
4. Within 60 days upon drawing on an approved CDP application, the member must provide the Initial Certification of Use of Advances form accompanied by (1) a list of qualified loans if not supplied with the CDP application, or (2) a copy of the note(s) that documents the proceeds of the advance have been used for the CDP approved project. The Initial Certification of Use of Advances form is available on the FHLBank's website.
5. No annual verification is required for CDP program.

EXHIBIT D HOUSING & COMMUNITY DEVELOPMENT EMERGENCY LOAN PROGRAM (HELP) ADVANCES

The HELP is a special advance program authorized by the CICA regulations. HELP provides members with wholesale loans (advances) priced below FHLBank's regular rates for members to finance housing and community development loans in areas adversely affected by natural disasters as determined by the Federal Emergency Management Agency (FEMA).

PROGRAM OBJECTIVES

HELP advances finance the construction, purchase or rehabilitation of owner-occupied and rental housing as well as commercial, agricultural and community development activities located in federally declared disaster areas. Members must demonstrate that HELP advances address disaster-related needs.

COMMON USES

Refinance or restructure existing loans provided the financing addresses disaster-related needs. Examples include but are not limited to the following:

- Group of homeowners repairing storm-related damage to their homes;
- Multifamily housing complex damaged by flooding;
- Farmer repairing tornado damage to an irrigation system;
- Repairing a recreational facility damaged by wildfire; or
- Infrastructure repairs after an ice storm.

TERMS AND CONDITIONS

HELP Advance Products and Programs

- Regular fixed rate advances
- Callable advances
- Amortizing fixed rate advances
- Adjustable rate advances

Required Documents

A HELP application must be submitted to FHLBank's HCD department for confirmation of eligibility for HELP. The application review is not a competitive process, but is subject to limits on the amount of funding available. HELP applications are accepted throughout the year subject to the availability of funds. An application may be obtained from FHLBank's website at <http://www.fhlbtopeka.com>.

When completing the application, members may request approval to fund qualified projects up to 90 days before the effective date of the HELP application or up to one year in advance of closing a HELP qualified project. Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's Housing and Community Development Programs.

Limitations

Members must comply with FHLBank's credit procedures as identified in the Credit Guidelines section of the Member Products and Services Guide. HELP advances cannot be used to finance any direct activity of the member or an affiliate of the member. Members are precluded from using HELP advances for their own benefit.

Members are limited to no more than a 200-basis-point markup to their customer above HELP advance rates. The minimum amount of a HELP advance is \$10,000. FHLBank shall provide up to \$25 million in HELP advances, and each project is limited to \$2 million. A member may obtain HELP advances for no more than two projects in a single year. HELP limitations may be waived at the discretion of the FHLBank's president in the event of extenuating circumstances.

FHLBank shall not allow a member that is subject to a restriction on access to long-term advances (greater than one year) to participate in the HELP program. This restriction does not apply to HELP applications or funds approved before the date the restriction was imposed.

Advance Draws On Approved HELP Application

Members may request draws on an approved HELP application by contacting the Lending department. Multiple HELP advances may be drawn up to the total amount of approved HELP application amount. Members are not committed to taking the full amount of approved HELP application amount; however any unused HELP application amount shall expire 12 months from the date of the HELP application approval.

For those HELP-qualified projects where the member is providing both construction and permanent financing, the member may elect to draw on the approved HELP application during construction for the full term of the construction period and permanent loan rather than wait until completion of construction or taking two HELP advances. This allows the member to lock in its cost of funds for the permanent loan during the construction period.

Qualifying Criteria

HELP advances are available for housing and community lending projects located in federally declared disaster areas as determined by FEMA. HELP applications must be made within 18 months of the disaster declaration. FHLBank's HCD department may be contacted to determine eligible disaster declarations.

Single- and multifamily housing projects in HELP-eligible disaster areas must meet the following:

1. Owner-occupied units that are or shall be occupied by households with incomes at or below 115 percent of the area median income for a three-plus person household utilizing Mortgage Revenue Bond income limits; or
2. At least 51 percent of rental units that are or shall be occupied by households with incomes at or below 115 percent of the area median income for a four person household utilizing HUD income limits; or
3. At least 51 percent of rental units that must have rents affordable to households at or below 115 percent of the area median income for a four person household utilizing HUD income limits. Rent is affordable if it is less than 30 percent of 115 percent of area median income. For example for a project located in a county for which 115 percent of median income equals \$32,000; the maximum CHP-qualified rent is \$800 ($\$32,000 * 30\% / 12 = \800).

Rate

HELP advances are priced at FHLBank's cost of issuing consolidated obligations of comparable maturities, including concession costs. Callable, amortizing and adjustable rate HELP advances are priced in a similar manner using market interest rates applicable to FHLBank obligations of comparable maturities and call features. HELP advance rate pricing must be applied on the date the advance is issued. HELP pricing cannot be approved for advances obtained by the member prior to approval of the HELP application.

If FHLBank determines that a member is not complying with the terms, conditions or regulations of the program, the interest rates on the outstanding HELP advances may be changed to the comparable market

rates that were in effect at the time of the original funding. Members shall be given the opportunity to appeal such determination before FHLBank implements any rate adjustment.

Principal and Interest

Normal principal and interest collection applies. For details, refer to the specific advance program.

Term

HELP advances are available in maturities from four months to 30 years. Advance terms should be consistent with the proposed use of funds.

Prepayment Option

The normal prepayment fee shall apply to HELP advances. For details, refer to the specific advance program.

Collateral

HELP advances must be fully collateralized at the date of issuance and at all times thereafter. Please refer to the Collateral Guidelines section of the Member Products and Services Guide for additional information.

Documentation

FHLBank shall require members to certify that each project funded under a HELP program meets the requirements of the HELP program.

Availability

Members should allow 24 hours for processing a HELP application. Provided an approved HELP application is on file, HELP advances may be requested until 4 p.m. CT.

What to Expect After Applying For HELP

1. The HCD department shall review the proposed project to be funded with a HELP advance and, if necessary, request follow-up information or documentation.
2. Following approval of the HELP advance, HCD staff shall send the member a letter authorizing the advances to be drawn on the approved HELP application based on the agreed upon conditions. FHLBank's Lending department shall be notified that the member has an approved HELP application on file.
3. The member must call the FHLBank Lending department at 800.809.2733 to draw on the approved HELP application and must indicate the advance is for an approved HELP project.
4. Within 60 days upon drawing on an approved HELP application, the member must provide the *Initial Certification of Use of Advances* form accompanied by (1) a list of qualified loans if not supplied with the HELP application, or (2) a copy of the note(s) that documents the proceeds of the advance have been used for the HELP approved project. The *Initial Certification of Use of Advances* form is available on the FHLBank's website.
5. No annual verification is required for HELP products.

EXHIBIT E
Joint Opportunities for Building Success (JOBS)
FHLBank Economic Development Grant Program

PROGRAM OBJECTIVES

A competitive program designed to promote economic development initiatives that assist members in promoting employment growth in their communities.

COMMON USES

- Reducing the interest cost on small business loans;
- Funding a micro-loan pool as part of a downtown revitalization program;
- Facilitating entrepreneurship training and funding viable small business projects;
- Enhancing equity financing through Small Business Investment Corporation activity;
- Collaborating with recently established resources such as New Markets Tax Credit and Community Development Financial Institutions programs; and
- Infrastructure development that leads to increased employment opportunities.

AVAILABLE FUNDS

Annual JOBS funding is subject to board of directors' approval.

ELIGIBLE APPLICANTS

FHLBank shall accept JOBS applications from FHLBank members in good standing with FHLBank at the time of application. JOBS applications from members restricted from participating in AHP or CICA Programs shall not be considered.

In addition, members and project participants receiving grants must agree to take part in publicity highlighting their role and that of FHLBank's to the project, community and region.

PROJECT LIMITATIONS

Projects must be located in the FHLBank's District (Colorado, Kansas, Nebraska and Oklahoma). Project target areas are limited to one Census tract, city, county or state. JOBS funds may be used in conjunction with other FHLBank products and programs, except the Affordable Housing and Homeownership Set-aside programs.

JOBS funding cannot be used for any of the following purposes:

- To finance any direct activity of the member (e.g. infrastructure improvements to facilitate a new branch location) or any affiliate of a member;
- To finance an activity for the member's own benefit;
- To fund projects that appear to be "bailouts";
- To finance projects of a political nature; or
- For any lobbying activity at the local, state or national level.

FHLBank employees and members of their households may not receive JOBS funds except in their capacity as a volunteer of a nonprofit entity.

MAXIMUM FUNDING

Members are subject to maximum funding of \$25,000 per member (and \$25,000 per project). Applications in excess of the \$25,000 limit shall not be considered for funding. Multiple applications from a member shall be considered up to the \$25,000 annual maximum. In the event a member submits applications in excess of the limit, whether from a different branches, officers, etc., FHLBank shall consider applications in the order received. Loan pools and similar funding mechanisms are eligible to receive more than one JOBS award provided an eligible project in the pool is identified for each JOBS application

APPLICATION PROCESS

A JOBS application must be submitted to FHLBank's HCD department for confirmation of eligibility. This review is a competitive process and is subject to limits on the amount of funding available. Applications may be obtained from FHLBank's website at <http://www.fhlbtpeka.com>.

The 2012 application period shall begin February 1, 2012 and end April 2, 2012. Complete applications must be submitted by the close of business April 2, 2012 (5:00 p.m. CT). Applications received after this date shall not be considered. In addition, the JOBS application and supporting material is limited to 10 pages. Documentation exceeding 10 pages shall be accepted, but any material in excess of the 10th page shall not be considered when scoring the project. For JOBS projects that involve loan pools, business plan competitions or similar funding/business training mechanisms that have previously received JOBS funds, the application must identify project participants that **have not** benefited from the previous JOBS project(s).

COMPETITIVE SCORING FACTORS

The competitive factors outlined below shall be used by HCD staff and management for consideration and evaluation of proposals submitted for the program. Each factor is given equal weighting.

- Asset-based score (readiness to proceed);
- Community distress ranking;
- Project employment percentage of labor force;
- Member's FHLBank product usage;
- JOBS leverage percentage;
- Member financial participation; and
- Community participation in the project.

JOBS is not intended to be a permanent funding source for economic development programs. Approval in prior years does not guarantee or imply approval of an application in the current year.

FUNDING RECOMMENDATIONS

FHLBank's shall present to the Housing and Governance Committee of the board of directors final funding consideration the applications from projects receiving the highest overall ratings based on the competitive scoring factors. All applicants (member's contact person only) shall be notified regarding the final status, either approved or denied no later than June 29, 2012. FHLBank is not responsible for communicating approval of project or the disbursement of funds to any other party. Members and projects receiving JOBS funds are encouraged to consult their tax advisory regarding the tax implications of receiving JOBS funds. FHLBank does not provide advice or consultation regarding the taxability of JOBS funds.

In the event all funds are not allocated as a result of the competitive process by October 31, FHLBank shall consider requests consistent with program's goals on a first-come, first-served basis for the remainder of the calendar year.

FHLBank, in its sole discretion reserves the right to deny any request for funding even though funds may be available.

AGREEMENTS BETWEEN FHLBANK AND MEMBERS

Members receiving JOBS funds shall be required to execute an agreement agreeing to the terms of the program and use of approved funds, which includes the requirement to disburse funds no later than December 20 of the approval year. Failure on the part of a member to supply any requested documentation may result in the member being restricted from access to FHLBank's Housing and Community Development Programs.

TECHNICAL ASSISTANCE

HCD staff is available for technical assistance with JOBS applications. Technical assistance consists of answering questions, providing examples, etc. FHLBank shall not assemble or proofread applications, gather signatures, or in any way participate in the preparation of a JOBS application.