



# Community Investment Advance Residential Lending Application

Submit Community Investment Advance (CIA) applications **at least 24 hours prior** to the requested advance date. Applications can be submitted by fax to 515.699.1270 or by email to [CommunityInvestment@fhlbdm.com](mailto:CommunityInvestment@fhlbdm.com).

## A. Member Institution Information

Housing Associates are not eligible for participation in CIA.

Member Name:	Member #:
Contact Person:	Title:
Address:	
City, State, Zip:	
Email:	Phone:

## B. Advance Information

The CIA advance limit per member is \$20 million (aggregated on all outstanding CIAs). **Separate applications must be completed for each CIA advance. A loan or pool of loans may not be used for more than one advance.** Approval of a *CIA Residential Lending Application* does not reserve funds nor provide an interest rate lock. Interest rate is determined at the time of advance. All advances are subject to the availability of funds. Standard advance requirements including prepayment fees apply.

Advance Type: <input type="checkbox"/> Fixed <input type="checkbox"/> Amortizing <input type="checkbox"/> Other (Member option variable-rate is not eligible for a CIA advance)	
Advance Amount Requested: (\$100,000 minimum per advance; higher minimums may apply to adjustable rate advances)	
Advance Term: (1-30 year advance term)	
Expected Funding Date of Advance:	

## C. Project Financing

Purpose of financing (check all that apply): <input type="checkbox"/> Acquisition/Purchase <input type="checkbox"/> Refinance <input type="checkbox"/> Mortgage Revenue Bond or Security - <b>Complete Box I</b> <input type="checkbox"/> New Construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Low Income Housing Tax Credit <input type="checkbox"/> Mobile Home Park <input type="checkbox"/> Predevelopment								
Location Type (majority of loans): <input type="checkbox"/> Urban <input type="checkbox"/> Rural								
Closed or Anticipatory Financing (check one): <input type="checkbox"/> <b>Closed loans:</b> Loan origination must have occurred within 3 months prior to the CIA advance date.  Earliest date loan(s) booked:  <input type="checkbox"/> <b>Loans to be closed:</b> Loan origination must occur within 12 months from the CIA advance date. A member certification is required. If the member certification is incomplete, not received within 12 months, or loan origination is insufficient, the interest rate on the CIA advance will convert to the rate in effect for a comparable regular advance at the time the advance was originated and applied to the full amount and term of the advance.  Expected date of loan(s) closing:								
Check the applicable boxes and complete the appropriate section(s) as indicated for that type: <table><tr><td><b>Type</b></td><td><b>Boxes to Complete</b></td></tr><tr><td><input type="checkbox"/> Residential Owner-Occupied</td><td><b>Box D and follow instructions</b></td></tr><tr><td><input type="checkbox"/> Residential Rental</td><td><b>Box E and follow instructions</b></td></tr></table>			<b>Type</b>	<b>Boxes to Complete</b>	<input type="checkbox"/> Residential Owner-Occupied	<b>Box D and follow instructions</b>	<input type="checkbox"/> Residential Rental	<b>Box E and follow instructions</b>
<b>Type</b>	<b>Boxes to Complete</b>							
<input type="checkbox"/> Residential Owner-Occupied	<b>Box D and follow instructions</b>							
<input type="checkbox"/> Residential Rental	<b>Box E and follow instructions</b>							

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<b>D. Residential Owner-Occupied</b>			
Financing of owner-occupied housing.			
Closed Loans	# of Loans	# of Housing Units	\$ Amount of Loans
Number of Units ≤115% AMI			
Loans to be Closed			
Number of Units ≤115% AMI			
Qualification			
Loans must be qualified based on <b>one</b> of the following requirements.			
Check off the applicable qualifiers:			
<input type="checkbox"/> Qualified by Lending Area (Complete Box F)			
<input type="checkbox"/> Qualified by Income (Complete Box G)			

<b>E. Residential Rental</b>			
Financing of rental housing including Manufactured Housing Parks.			
Do loan(s) include refinance of a Rental Project or a Manufactured Housing Park?			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
If <b>YES</b> , were there equity proceeds (including cash out to borrower)?			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
If <b>YES</b> , were equity proceeds used to rehabilitate the project or preserve affordability for current residents?			
<input type="checkbox"/> Yes <input type="checkbox"/> No – Project is not eligible for a CIA advance.			
Explain how the refinance financed rehabilitation or preserved affordability for current residents. Attach supporting documentation if needed. FHLB Des Moines will determine qualification of rental refinance loans on a case-by-case basis.			
Single-family (1-4 unit properties)	# of Loans	# of Housing Units	\$ Amount of Loans
Number of Units ≤115% AMI			
and/or			
Multi-family (5+ unit properties)	# of Loans	# of Housing Units	\$ Amount of Loans
Number of Units ≤115% AMI			
Qualification			
If the loan is not a refinance or is an eligible refinance, it must be qualified based on <b>one</b> of the following requirements.			
Check off the applicable qualifier:			
<input type="checkbox"/> Qualified by Lending Area (Complete Box F)			
<input type="checkbox"/> Qualified by Affordable Rents (Complete Box H)			

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### F. Qualified by Target Lending Area

A **Targeted Income Area** is an area where the majority of families are at or below 115% of AMI. Targeted Income Area is determined by census tract using the geo-coding page of the FFIEC website at <https://www.ffiec.gov/>.

#### Closed Loan(s):

The loan amount must be the amount actually advanced and not the amount of a loan commitment.

Borrower Name	Loan Amount (Funded Amount)	Date Loan Closed	Street Address (No PO boxes or RR#)	City	State	Zip Code	County	FFIEC Online Data Census System		Loan Purpose
								Target Area Census Tract	Tract Median Family Income %	

#### Required Documentation

Complete a *Residential Loan Documentation Spreadsheet* for additional loans: [CIA Target Area.xlsx](#)

### G. Qualified by Target Income

For individual households, income must be at or below 115% of the area median income (AMI) for a family of four. The income limit may be calculated using HUD income tables: <https://www.huduser.gov/portal/datasets/il.html>. Use the HUD tables for **Individual Income Limits Areas** and find the applicable MSA or state and county. Calculate the income limit using the **Median Family Income (MFI)** from the table. 115% AMI is calculated by multiplying the MFI by 115% (MFI x 1.15).

Designate **one** of the following options for income qualification:

☐ Project involves individual owner-occupied units, each purchased or owned by a household at or below the income limit; or

☐ Project involves multiple units of owner-occupied housing in which at least 51% of the units are owned or are intended to be purchased by families at or below the income limit

#### Closed Loan(s):

The loan amount must be the amount actually advanced and not the amount of a loan commitment.

Borrower Name	Loan Amount	Date Loan Closed	Street Address (no PO Boxes or RR#)	City	State	Zip Code	County	Household Income	HUD MFI	Loan Purpose

For projects that include multiple units of owner-occupied housing provide a description of the project that includes the total units in the project, the incomes of households that own units in the project (for existing projects), or an explanation of how units will be purchased by families at or below the income limit (for projects under development).

#### Required Documentation

Complete a *Residential Loan Documentation Spreadsheet* for additional loans: [CIA Target Income.xls](#)

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H. Qualified by Affordable Rents

Rental housing where at least 51% of the units are occupied by or the rents are affordable to families with incomes at or below 115% of the area median income (AMI) for a family of four. Affordable monthly rents should not exceed 30% of the AMI defined above. A rent limit may be calculated using HUD tables for **Individual Income Limits Areas**: <https://www.huduser.gov/portal/datasets/il.html>.

*\*Calculate the rent limit using the **Median Family Income (MFI)** for the applicable MSA or county multiplied by 115% ( $MFI \times 1.15 = 115\% \text{ AMI}$ ), then multiply amount times 30% ( $115\% \text{ AMI} \times .30$ ) to determine affordability. Divide that amount by 12 for the monthly rent limit.*

Closed Loan(s):

The loan amount must be the amount actually advanced and not the amount of a loan commitment.

Borrower Name	Loan Amount	Date Loan Closed	Street Address (no PO Boxes or RR#)	City	State	Zip Code	County	# of Units	Maximum Monthly Rent Amount	HUD MFI

For projects qualified based on tenant income, provide a rent roll that includes tenant names and the tenant’s income. For projects that are not yet rented, but there is a cap on tenant income (i.e., low income housing tax credit project under development), provide the income cap in lieu of tenant income. The income cap must be one imposed under a federal or state funded housing program described in the project description.

I. Mortgage Revenue Bonds or Mortgage Backed Securities

If project included **Mortgage Revenue Bonds or Mortgage Backed Securities** identify the bond or security, the date of its purchase, and evidence that all loans financed by such bonds and all loans backing such securities, respectively, meet the eligibility requirements for Residential Lending, including Qualified by Lending Area or Qualified by Income.

Project Description:

Complete Box D and follow instructions. Include bond/security prospectus with completed CIA application..

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**COMPLIANCE and CERTIFICATION**

*"Funds Availability Notice": Approval of a Federal Home Loan Bank of Des Moines (the Bank) Community Investment Advance application is subject to funds being available under this program at the time the advance is taken. Approval of this application is not a reservation of funds. All Community Investment Advances are subject to the terms and conditions contained in the Bank's [Member Products and Services Policy](#).*

*If it is determined this advance is out of compliance, the interest rate will be converted to the market rate in effect for a comparable regular advance at the time the CIA Advance was originated and applied to the full term of the advance.*

*If, following the repayment of the advance, the Bank determines that the member's use of the Community Investment Advance funds was not in compliance with regulatory requirements or member fails to provide required documentation demonstrating that its use of the advance was in compliance, then the Bank shall have the authority to charge the member for the additional interest resulting from the difference between the Community Investment Advance rate extended to the member and the market rate at the time the advance was originated. **Upon approval of this application, disbursement of funds is subject to the credit and collateral requirements of the Bank.***

*If the Bank terminates a convertible Community Investment Advance prior to the stated maturity date of such advance, the Bank shall offer to provide market replacement funding to the member for the remaining term to maturity of the convertible advance. However, by Finance Board regulation, the Bank can only offer its Community Investment Advance rates for qualifying loans originated no more than 3 months prior to the date an advance is made. As a result, if the Bank provides market replacement funding, the member can only use the same loans that it originally used to qualify for the Community Investment Advance rate, **if those same loans were originated within 3 months of the market replacement funding.** Otherwise, the member must use other qualifying loans if the replacement funding is to receive the Community Investment Advance rate.*

**Certification**

The undersigned, an authorized representative of Member Institution, certifies the information contained in this application is true and correct to the best of their knowledge and the funds made available to the Member Institution through the Community Investment Advance program will be used to benefit targeted households and the loans used to support the advance meet the respective targeting requirements of the Community Investment Advance program. In addition, the use of the advance is consistent with the Community Investment Advance application approved by the Bank. The Member Institution has also provided documentation to the Bank, including 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.

I, \_\_\_\_\_, \_\_\_\_\_,  
(Print Name) (Title)

of \_\_\_\_\_, hereby certify the above statement is true and  
(Member Institution)

correct. \_\_\_\_\_  
(Signature) (Date)

**FHLB Des Moines Approval:** \_\_\_\_\_  
(FHLB Des Moines Authorized Signature) (Date)

# Community Investment Advance Residential Lending Application

## **DEFINITIONS**

**AMI:** Area Median Income. The median family income for a geographic area, typically for an MSA, county, or census tract.

**Affordable Rents:** Loans made for rental housing where rents are affordable to families with incomes at or below 115% of the area median income (AMI) for a family of four. Monthly rents should not exceed 30% of the AMI defined above. A listing or summary of rents charged at the project will be required either at the time of application or within one year of the closing of the advance.

**Family:** One or more persons living in the same dwelling unit.

**Low Income Housing Tax Credit:** A dollar-for-dollar tax credit in the United States for affordable housing investments. It was created under the Tax Reform Act of 1986 (TRA86) that gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans. Tax credits are issued by state housing finance agencies, typically for rental projects, and purchased by investors.

**Manufactured Housing Park (also known as a Mobile Home Park):** Application for Manufactured Housing Parks should be included in Rental Projects. Project description should include the name of the borrower, the address of the Manufactured Housing Park including census tract, the number of housing units financed, the date the loan was made, and loan amount. Project description will be required either at the time of application if the advance was qualified as a closed loan or within one year if the advance was qualified with loan to be closed. **Note: Eligible projects must be located in a Targeted Income Area.**

**Mortgage Revenue Bonds or Mortgage Backed Securities:** Asset-backed securities supporting loans for owner-occupied or rental housing (Residential Lending or Rental Projects as applicable). Members purchasing mortgage revenue bonds or mortgage backed securities must be able to demonstrate to the satisfaction of the FHLB that all loans financed by such bonds and all loans backing such securities, respectively, meet the eligibility requirements for Residential Lending or Rental Projects.

**MSA:** A Metropolitan Statistical Area as designated by the Office of Management and Budget.

**Neighborhood/Community:** A census tract or block numbering area; a unit of local government with a population of 25,000 or less, a rural county; or a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographic designation that is within the boundary of but does not encompass the entire area of a unit of local government.

**Rental Projects:** Rental projects may include: (1) Loans originated for the pre-development, purchase, construction, rehabilitation, or refinance of an eligible rental housing project; (2) purchase of a participation interest or financing to participate in an eligible rental housing project; (3) loans to entities that in turn make loans to eligible rental housing projects; (4) purchase of multifamily mortgage revenue bonds or mortgage backed securities; or (5) purchase of multifamily low income housing tax credits. To help create and maintain a secondary market for loans; loans originated and sold in secondary markets may also be eligible. See definitions for **Mortgage Revenue Bonds or Mortgage Backed Securities** and **Low-Income Housing Tax Credit**.

Rental projects may be eligible based on their location in a qualified lending area, or based on affordable rents. All closed loans (or purchases) must have occurred within 3 months prior to the member receiving funding in this program.

To demonstrate eligibility the FHLB will require a project description that includes the name of the borrower, the address of the housing units financed including census tract location, the date the loan was made, loan amount, and rent schedule if qualified by affordable rent. Information on the total number of housing units in the project should be provided. For loan amount use the amount actually advanced and not the amount of a loan commitment. The project description will be required at the time of application if the advance was qualified with closed loans or within one year if the advance was qualified with loans to be closed.

**Note: Any equity from loans to refinance rental projects must be used to rehabilitate the properties or preserve affordability for current residents to be eligible.**

## Community Investment Advance Residential Lending Application

**Rental Lending Area:** Loans that were made on Rental Projects that were closed in one of the designated lending areas. An address and appropriate support for the lending area will be required either at the time of application or within one year of the closing of the advance.

**Residential Lending Area:** Residential Loans that were closed in one of the designated lending areas. An address and appropriate support for the lending area will be required either at the time of application or within one year of the closing of the advance.

**Residential Lending:** Residential Lending may include: (1) Loans originated for the pre-development, purchase, construction, rehabilitation, or refinance of individual owner occupied 1-4 unit housing units; (2) purchase of a participation interest or financing to participate in eligible loans for owner-occupied housing units; (3) loans to entities that in turn make loans to eligible owner-occupied housing projects; (4) purchase of mortgage revenue bonds or mortgage backed securities for loans on owner-occupied dwellings; or (5) purchase of low income housing tax credits for owner-occupied dwellings. To help create and maintain a secondary market for loans; loans originated and sold in secondary markets may also be eligible. See definitions for **Mortgage Revenue Bonds or Mortgage Backed Securities** and **Low-Income Housing Tax Credit**.

Residential loans or projects may be eligible based on their location in a qualified lending area, or based on household income. All closed loans (or purchases) must have occurred within 3 months prior to the member receiving funding in this program.

To demonstrate eligibility the FHLB will require a project description including the name of the borrower, the address of the dwelling financed including census tract, the date the loan was made, loan amount, and household income if applicable. For loan amount use the amount actually advanced and not the amount of a loan commitment. The project description will be required at the time of application if the advance was qualified with closed loans or within one year if the advance was qualified with loans to be closed.

**Rural Area:** A unit of general local government with a population of 25,000 or less; an unincorporated area outside an MSA; or an unincorporated area within an MSA that qualifies for housing assistance from the USDA. USDA eligibility is provided for Residential Loans (USDA Single Family) and Rental Projects (USDA Multi Family) at: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. *To be identified as rural* all the loans (100%) used to qualify an advance must be rural. Contact FHLB Des Moines for assistance.

**Targeted Income Area:** For Residential Lending and Rental Projects a Neighborhood/Community where the majority of families are at or below 115% of the area median income (AMI). The AMI for a Neighborhood/Community will be based on the census tract area and may be determined by using the geo-coding page of the Federal Financial Institutions Examination Council (FFIEC) website at [www.ffiec.gov](http://www.ffiec.gov). Contact FHLB Des Moines for assistance.

**Urban Area:** A unit of general local government with a population of more than 25,000 or an unincorporated area within a MSA that does not qualify for housing assistance from the USDA. USDA eligibility is provided for Residential Loans (USDA Single Family) and Rental Projects (USDA Multi Family) at: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. Contact FHLB Des Moines for assistance.

**USDA:** United States Department of Agriculture.