

Community Development Advance



Agenda

- What is the CDA Program?
- CDA Extra Eligibility
- CDA Eligibility
- Three-Month Look-Back
- Reporting
- Resources

CDA Program

The Federal Home Loan Bank of Boston's Community Development Advance (CDA) Program is governed by the Community Investment Cash Advance (CICA) regulation 12 CFR 1292.5.

The CDA Program offers two advance products available continuously to all members, CDA Extra and CDA. These advances, simply put, are loans from the Bank to member financial institutions to fund their housing and economic development initiatives.

- All advances under the CDA Program require an application and approval prior to funding.



CDA Program

- **CDA Extra** is a deeply discounted advance that supports affordable housing serving households at or below 115% of the area median income and economic development or mixed-use initiatives serving households at or below 80% of the area median income.
- **CDA** is a discounted advance that supports a variety of economic development and mixed-use initiatives in urban areas with incomes at or below 100% of the area median income and rural areas with incomes at or below 115% of the area median income.



CDA Program

Community Development Advance Program's Performance

Since 1990, the CDA Program has:

- disbursed over **\$17.5 billion** across New England and other states outside New England
- funded over **79,853** housing units and **1,769** economic-development or mixed-use initiatives



Program Benefits

Benefits:

- Bank's lowest cost advances
- Expands community development lending
- Meets the credit needs of communities
- Easy to find qualifying loans

Allows You To:

- Compete on term
- Lock in spread and term
- Mitigate interest-rate risk
- Provide lower cost of funding to community
- May qualify for CRA consideration

Rates

Long-Term Classic Advance Rates
Effective 12:51 PM | March 04, 2022

- CDA is a discounted advance
- CDA Extra is a deeper discounted advance
- Available as Classic (bullet), Amortizing, and Member-Option advances
- CDA/CDA Extra available in terms from one-year to 20-year maturity/30-year amortization

| TERM | REG. | CDA | CDA EXTRA | NEF |
|---------|------|------|-----------|------|
| 1 YEAR | 1.35 | 1.27 | 1.25 | 1.33 |
| 2 YEAR | 1.86 | 1.65 | 1.62 | 1.84 |
| 3 YEAR | 1.99 | 1.79 | 1.75 | 1.97 |
| 5 YEAR | 2.11 | 1.91 | 1.85 | 2.09 |
| 7 YEAR | 2.28 | 2.05 | 1.97 | 2.26 |
| 10 YEAR | 2.52 | 2.30 | 2.19 | 2.50 |
| 15 YEAR | 2.85 | 2.67 | 2.52 | 2.83 |
| 20 YEAR | 3.08 | 2.94 | 2.75 | 3.06 |

For Current Rates: <https://www.fhlbboston.com/fhlbank-boston/rates#/long-term>

Member Limits

CDA Program Approval and Disbursement Limits

- Total member annual limit \$50 million combined
 - CDA Extra - \$15 million maximum
 - CDA - \$35 million maximum
- No increases to annual limits are permitted



How to Apply

The Application Process

- Easy-to-use online application
- Submitted applications processed within 10 business days
- No commitment to borrow
- No restrictions on incremental disbursements
- No obligation to match fund initiative
- Online report submission
- Approved applications expire after six months
- No extension of approvals are permitted

How to Apply

Submit application in 7 easy steps:

1. Log in at: <https://housing.fhlbboston.com/>
2. Select “Community Lending Programs” from the Welcome page
3. Choose your program (CDA Extra/CDA)
4. Enter application data
5. Upload required documentation (if applicable)
6. Validate Data
7. Sign/Submit

NOTE: Make sure you have a Community Lending account.

CDA Extra Application Options

Apply for 1 of 5 CDA Extra – Housing/Economic Development application options

Program-Related Funding

- Mortgage Financing

Project- or Loan-Specific Funding

- Single or Multifamily Financing
- Economic Development/Nonresidential Commercial Financing
- Mixed-Use Financing
- 3-Month Look-Back

CDA Extra Uses

Members may use CDA Extra to fund:

- Future originations;
- Originations up to three months prior;
- Loan refinancing;
- Entities that make loans for eligible housing or economic development initiatives, such as a CDFI;
- Participation interest in a loan consortium;
- Purchase Low Income Housing Tax Credits;
- Purchase Mortgage Revenue Bonds/Mortgage-backed securities; or
- Create or maintain a secondary market for loans.

NOTE: Funding supporting the construction, refinance, or development of member facilities (such as headquarters/ branches) are **NOT** eligible for CDA Extra/CDA.

CDA Extra - Housing

To qualify, the initiative must be a **residential initiative** serving households based on the following:

- **Income Eligibility:** Housing initiatives serving families/ households with incomes at or below **115%** of area median income for a family of four based on the income guidelines as published annually by HUD*; or
- Manufactured housing parks where the initiative is located in a census tract with a median income at or below **80%** of area median income based on the income guidelines as published by HUD.

*Reporting Required

CDA Extra – Economic Development

To **qualify**, the initiative must be a **nonresidential** initiative serving households based on the following:

- **Income Eligibility:** Economic development initiatives benefitting families/households with incomes at or below **80%** of area median income based on the income guidelines as published by HUD. CDA Extra can be used to support:
 - Commercial initiatives
 - Industrial/manufacturing initiatives
 - Public facility initiatives
 - Social service initiatives
 - Public/private infrastructure projects

CDA Extra – Economic Development

Economic Development Eligibility

Individual Beneficiaries

- Creates or retains jobs for at least 51% of income-eligible workers*
- Benefits 51% of income-eligible families

Geographic Beneficiaries

- Initiatives serving households at or below 80% of AMI

Located in:

- Income-eligible census tract
- Champion Community
- Empowerment Zone
- Enterprise Community

***Reporting Required**

CDA Extra – Mixed-Use

To qualify, the application must support a mixed-use initiative comprised of nonresidential and residential space:



- **Eligibility:** Initiative must satisfy the targeted income requirements for at least ONE of the eligibility criteria listed under Housing Initiatives **AND** Economic Development Initiatives.

CDA Application Options

Apply for 1 of 4 CDA – Economic Development application options

Program-Related Funding

- Economic Development/Nonresidential Commercial (Program-Related Only)

Project- or Loan-Specific Funding

- Economic Development/Nonresidential Commercial Financing
- Mixed-Use Financing
- 3-Month Look-Back

CDA Eligible Uses

Members may use CDA to fund:

- Future originations;
- Originations up to three months prior;
- Loan refinancing;
- Entities that make loans for eligible economic development initiatives; or
- Participation interest in a loan consortium.

NOTE: Funding supporting the construction, refinance, or development of member facilities (such as headquarters/ branches) are **NOT** eligible for CDA Extra/CDA.



CDA

To qualify, the initiative must be a nonresidential, or mixed-use initiative serving households based on the following:

- **Income Eligibility:** Economic development initiatives benefitting families/households with incomes at or below:
 - 115% of AMI for a rural initiative or
 - 100% of AMI for an urban initiative

CDA can be used to support:

- Commercial initiatives
- Industrial/manufacturing initiatives
- Public facility initiatives
- Social service initiatives
- Public/private infrastructure projects

CDA – Economic Development

Individual Beneficiaries*

- Creates or retains jobs for at least 51% of income-eligible workers
- Benefits 51% of income-eligible families

Activity Beneficiary

- Initiative qualifies as a Small Business

*Reporting Required

Geographic Beneficiaries

- Urban initiatives serving households at or below 100% of AMI
- Rural initiatives serving households at or below 115% of AMI

Located in:

- Income-eligible census tract
- Champion Community
- Empowerment Zone
- Enterprise Community
- CAIP area
- Brownfield
- Indian area
- Area affected by military base closing
- Federal- or state-declared disaster area

CDA – Mixed-Use

To **qualify**, the application must support a mixed-use initiative comprised of nonresidential and residential space:



- **Mixed-Use Eligibility:** Initiatives must meet at least ONE of the eligibility criteria for economic development. There are no eligibility requirements for the housing portion of a mixed-use initiative.

Economic Development/Mixed-Use – Location Eligibility

Using www.FFIEC.gov

- “Geocoding/Mapping System”
- Enter Target Address
- Review “Tract Median Family Income %” for eligibility indicator
- **CDA Extra** = at or below 80%
- **CDA** = at or below 115% AMI for rural or 100% AMI for urban

Economic Development/Mixed-Use - Beneficiary Eligibility

Using www.FFIEC.gov

- “Geocoding/Mapping System”
- Enter Target Address
- Review “Median Family Income” indicator for eligibility
- **CDA Extra** = annual income must be at or below 80% of AMI
- **CDA** = annual income must be at or below 115% /rural or 100%/urban of AMI

Three-Month Look-back

Used to fund two or more loans originated up to three months before submitting application

- Can be used for the CDA Extra or CDA programs
- One application per application type
- An Excel spreadsheet is provided for each application type
- Loans will be reviewed based on application type



CDA Programs Reporting

Reporting Documentation Requirements

- After each disbursement, an email will be forwarded to member requesting the required eligibility data to correspond with the funds disbursed.
- Documentation must be consistent with the eligibility parameters of the approved application.
- Reporting data must be submitted through FHLBank Boston's online submission system.
- Submission of multiple loans must be submitted using the Excel spreadsheet provided as part of the report submission process.



CDA Programs Reporting

Members have two options for providing required beneficiary data:

1. Provide beneficiary report data with application submission or
2. Provide beneficiary report data within 30 days of each disbursement linked to the approved application.

Note: Report data is subject to final approval by FHLBank Boston staff. Any member with outstanding CDA Extra or CDA report will be subject to compliance review prior to submitting any subsequent applications.



Wrap Up — Key Points

- CDA Extra and CDA are FHLBank Boston's lowest cost advances
- Supports both residential and nonresidential initiatives
- Annual combined \$50 million member advance limit
- Compete on term and potential CRA consideration
- 10 business day processing
- Documentation must align with desired program eligibility
- Approval available for six months

Community Lending Programs

Community Development Advances (CDA)

Discounted advances to members to fund affordable housing, economic development and mixed-use initiatives

- **Affordable Housing Program (AHP)**
Program provides gap funding through member institutions to support affordable housing initiatives.
- **Equity Builder Program (EBP)**
Provides assistance for households with incomes at or below 80% area median income.
- **Housing Our Workforce (HOW)**
Provides assistance for households with incomes above 80% and up to 120% area median income.
- **Jobs for New England (JNE)**
Discounted funding to support businesses in New England that create and/or retain jobs, expand small businesses or otherwise support economic development activities.
- **New England Fund (NEF)**
Discounted advance to support Comprehensive Permit (40B/40R) developments serving MA & RI.

Resources

To learn more about the CDA Extra or CDA programs, take advantage of these additional resources:

CDA – Overview

<https://www.fhlbboston.com/fhlbank-boston/cda-overview#/>

- CDA Fact Sheet
- CDA Extra Fact Sheet

HUD Income Guidelines

<http://www.huduser.org/portal/datasets/il.html>

Income Eligibility (FFIEC)

<http://www.ffiec.gov/>

Rural Eligibility

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?NavKey=home@1>

Empowerment/Enterprise Communities

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm>

Who to Contact for More Information

Housing & Community Investment

Paulette Vass, Community Development Advance Manager 617-292-9792

Additional Contacts

Ken Willis, Senior Vice President/Director 617-292-9631

Livia Bourque, HCI Operations Manager 617-292-9607

Theo Noell, Affordable Housing Program and Outreach Manager 617-292-9668

Kaitlyn Mulhern, Homeownership Set-Aside Programs Manager 617-292-9606

Jack Newton, HCI Analyst 617-425-9561

Kevin Ryan, Senior HCI Analyst 617-292-9646

Community Investment Managers

Kathleen Amonte (CT & RI) 617-425-9413

Tobi Goldberg (ME & Eastern MA) 617-292-9653

Michael Pingpank (NH; VT; Central & Western MA & Outside New England) 617-425-9564

<https://www.fhlbboston.com/fhlbank-boston/> **1-800-357-3452**
[option 5]

Who to Contact for More Information

Sales & Business Development

Ana Dyer, Senior Vice President/Member Services 617-292-9762

Matt Stewart, Vice President/Director of Sales 617-425-9528

Maria Nichols, Vice President 617-292-9723

Stephen Costa, Vice President 617-425-9573

Shaun Quirk, Relationship Manager 617-425-9447

Member Funding Desk 800-357-3452 [option 1]

<https://www.fhlbboston.com/fhlbank-boston#/> 800-357-3452 [option 2]

Questions

