

## CDA Extra Eligibility

Deeply discounted **CDA Extra** funds help members support affordable housing, economic development, and mixed-use initiatives in their communities. **CDA Extra** funds can be used to provide financing for the purchase, construction, refinance, rehabilitation, and/or predevelopment financing for:

### Housing Initiatives

Project Type	Eligibility Requirements
<b>Single-Family Owner-Occupied</b>	Project-specific initiative or mortgage financing program where the household income of homebuyers/homeowners is at or below 115% of area median income. If the application supports a mortgage financing program, loans must be: <ul style="list-style-type: none"> <li>• Part of a specific, targeted lending program with features designed to increase homeownership opportunities, such as, first-time homebuyer programs; and</li> <li>• Identifiable as separate from the member's standard loan portfolio.</li> </ul>
<b>Multifamily Owner-Occupied</b>	Multiple units of owner-occupied housing, such as a subdivision or new neighborhood development, in which at least 51% of the units are owned or intended to be purchased by families with incomes at or below 115% of area median income.
<b>Rental or Cooperative Housing</b>	<ul style="list-style-type: none"> <li>• At least 51% of the units are occupied by families with incomes at or below 115% of area median income.</li> <li>• The rents for at least 51% of the units do not exceed 30% of the income for families with incomes at or below 115% of area median income.</li> </ul>
<b>Manufactured Housing Parks</b>	<ul style="list-style-type: none"> <li>• At least 51% of the units are occupied by families with incomes at or below 115% of area median income.</li> <li>• The rents for at least 51% of the units do not exceed 30% of the income for families with incomes at or below 115% of area median income.</li> <li>• Initiative is located in a census tract with a median income at or below 80% of the area median income.</li> </ul>

### Economic Development Initiatives

Project Type	Eligibility Requirements
<b>Economic Development</b>	Funds can be used to support commercial, industrial, manufacturing, public facilities, social service, or public or private infrastructure initiatives that: <ul style="list-style-type: none"> <li>• Are located in a census tract where the median income is at or below 80% of the area median income;</li> <li>• Are located in a Champion Community, Empowerment Zone, Enterprise Community, or Indian area;</li> <li>• Create or retain jobs, other than construction jobs, where the annual salaries for at least 51% of the permanent full- and part-time jobs, computed on a FTE basis, are at or below 80% of area median income; or</li> <li>• Primarily serve or benefit individuals or families that have incomes at or below 80% of area median income.</li> </ul>

### Mixed-Use Initiatives

Project Type	Eligibility Requirements
<b>Mixed-Use</b>	Mixed-use initiatives must satisfy the targeted income requirements of at least ONE of the aforementioned eligibility criteria listed under Housing Initiatives AND Economic Development Initiatives.

## CDA Extra Eligibility

Page 2

### Eligible Financing Activities

#### Members can use CDA Extra funds to:

- Originate eligible loans;
- Fund eligible loans that were originated up to three months before receiving CDA Extra funds;
- Refinance eligible affordable or economic development initiatives, provided that during the refinancing of rental housing and manufactured housing parks any equity proceeds of the refinancing are used to rehabilitate the initiatives or to preserve affordability for current residents;
- Make loans to entities that, in turn, make loans for eligible housing or economic development initiatives;
- Purchase a participation interest, or provide financing to participate in a loan consortium for eligible housing or economic development initiatives;
- Purchase Low Income Housing Tax Credits;
- Purchase 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 CDA Extra eligibility requirement; or
- Create or maintain a secondary market for loans, where all such loans are mortgage loans meeting the CDA Extra eligibility requirement.

**NOTE:** Financing to support member facilities (such as headquarters, branches, operations facilities) is NOT an eligible use for the CDA Extra program.

**Limits:** Each member will have access to disburse a maximum annual CDA Extra limit of \$15 million.

To ensure that each member disburses no more than \$15 million in CDA Extra during any one calendar year, each member's CDA Extra limit and approvals will be managed based on the following calculation:

#### CDA Extra: \$15 million Member Disbursement Limit

- Less any unexpired approvals with an available for disbursement balance greater than \$0
- Less CDA Extra disbursements during current calendar year
- Less the total amount requested of any submitted (unapproved) CDA Extra application(s)

The Federal Home Loan Bank of Boston reserves the right to further limit the total amount of Community Development Advances available or to limit the amount of Community Development Advances available per member without notice.

**Application:** Members can apply online for CDA Extra through the Bank's website at <https://housing.fnlbboston.com>. The Bank will review applications within 10 business days.

**Available Products and Maturities:** CDA Extra advances are available in maturities of one year and longer. Three kinds of CDA Extra advances are always available: Classic, Member-Option, and Amortizing. Classic Advances are fixed-rate advances with interest due monthly and principal due at maturity. Member-Option Advances are fixed-rate advances that are repayable without fee on specified cancellation dates. Other prepayment structures may also be available. Amortizing Advances are fixed-rate advances with monthly payments of interest and principal. Other terms and maturities may be available upon request.

**Forward Rate Commitment:** To guard against rising interest rates, members may purchase a forward rate commitment to lock in the current rate for disbursement on a future date. Members may call our Member Funding Desk at 800-357-3452 for pricing information on forward rate commitments.

**Take-Down and Disbursement:** Taking down CDA Extra funding is simple. Once the application is approved, the member calls our Member Funding Desk to take down the advance.

## **CDA Extra Eligibility**

Page 3

**Expiration:** Approvals for CDA Extra expire six months from the date of approval unless a longer take-down period is approved. If a member is unable to take down the advance within the specified take-down period, the member may submit a new application provided that the funds requested are within their CDA Extra limit availability.

**Spread:** When making a loan using the funds from CDA Extra, the member's spread on the loan may not exceed its standard spread on similar loans.

**Reporting:** Applications approved under the CDA Extra program are subject to the Federal Home Loan Bank of Boston's "Beneficiary Eligibility" reporting requirement. Members can provide documentation supporting program eligibility at the time of application or after disbursement. Documentation is subject to review and confirmation of compliance by the Federal Home Loan Bank of Boston.

**Income Eligibility:** For loans qualified by income, the household income must be at or below 115% of area median income for a housing initiative or 80% of area median income for an economic development initiative for a family of four based on the income guidelines as published annually by [HUD](#). For loans qualified by income for the location, the census tract in which the property is located must be at or below 115% of area median income for a housing initiative or 80% of area median income for an economic development initiative for the area as determined using [www.ffiec.gov](http://www.ffiec.gov) for the address or census tract.

**Housing Initiatives**

**Affordable housing initiatives**

'Income-eligible families' means one or more persons living in the same dwelling unit for whom total annual income is at or below 115% of the area median family income as published annually by HUD or by the median income for a family of four for the area obtained from the Federal Financial Institutions Examination Council.

**Economic Development**

**Creating or retaining jobs**

Annual salaries for at least 51% of the permanent full- and part-time jobs, computed on a full-time-equivalent basis, created or retained by the initiative, other than construction jobs, must be at or below 80% of area median income as published annually by HUD or by the median income for the area obtained from the Federal Financial Institutions Examination Council.

**Benefitting income-eligible families**

At least 51% of the families who benefit from (other than through employment), or are provided services by, the initiative must have incomes at or below 80% of area median income as published annually by HUD or by the median income for the area obtained from the Federal Financial Institutions Examination Council.

**Income-eligible neighborhood**

A census tract in which the median income is at or below 80% of area median income as published annually by HUD or by the median income for the area obtained from the Federal Financial Institutions Examination Council for the surrounding area.

**Champion Community**

A Champion Community is a community that developed a strategic plan and applied for designation by either the Secretary of the HUD or the Secretary of the United States Department of Agriculture (USDA) as an Empowerment Zone or Enterprise Community but was designated a Champion Community.

**Empowerment Zone**

An Empowerment Zone is an area so designated by either the Secretary of HUD or the Secretary of the USDA.

**Enterprise Community**

An Enterprise Community is a community so designated by either the Secretary of HUD or the Secretary of the USDA.

**Indian area**

An Indian area is an area defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

**For more information, contact the Bank's Housing and Community Investment Department.**

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