

FHLB Boston & Rural Small Business Lending

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Our Mission

Our mission is to provide highly reliable wholesale funding, liquidity, and a competitive return on investment to member financial institutions in New England. We strive to consistently develop and deliver the best financial products, services, and expertise that support housing finance, community development, and economic growth, including programs targeted to lower-income households.

What Is FHLB Boston

- The Federal Home Loan Bank of Boston is a cooperative owned by its member financial institutions which include insured depositories (thrifts, commercial banks, credit unions), insurance companies, and CDFIs
- \$60.8 billion in assets (06/30/2017)
- Provides reliable, competitively priced, wholesale funding to facilitate housing and economic growth:
 - Core product: “advances,” which are secured loans to members
 - Purchase fixed-rate, single-family mortgages (MPF)
 - Fund and administer targeted housing programs and community investment programs
 - Letters of credit

Community Development Advance Program Features

Provides members with fixed-rate advances priced below the Bank's regular advance rates.

- Pricing & availability of funds helps lenders extend long-term, fixed-rate credit to their customers
- Available through 2 application options, up to **\$50 million total**, to help support community development activities:
 - **CDA Extra**
 - **CDA**



CDA Extra

- Deeply discounted advance that supports affordable housing at or below 115% of AMI or
- Economic development/mixed use initiatives at or below 80% of AMI



CDA

- Discounted advance that supports economic development and mixed-use initiatives (**including small business**) that support geographic, individual, and activity beneficiaries in urban census tracts up to 100% of AMI or
- For rural initiatives up to 115% of AMI

CDA Program's Benefits

- Allows members to meet and expand the housing & economic development needs of the communities they serve
- Provides a lower cost of funding for economic development & community-based initiatives
- Supports and complements existing lending programs
- Enables members to provide long-term, match-funded loans to projects
- Mitigates interest-rate risk while locking in spread and term
- Funds a variety of uses
- Incorporates projects that may meet CRA definition of “Community Development”

CDA Program's Performance: 27 Years of Success

Since 1990, the CDA Program has disbursed more than **\$14.7 billion** across the six New England states.



Pricing

We offer more favorable rates for small business lending through several options

- Available in terms from 1-year, up to 20-year maturity with 30-year amortization
- See current rates: fhlbboston.com/rates/advances/index.jsp

Long-Term	Short-Term	Amortizing	Advance Specials	
Long-Term Classic Advance Rates				
Effective 12:38 PM October 31, 2017				
Term	Reg.	CDA	CDA Extra	NEF
1yr	1.69	1.60	1.57	1.67
2yr	1.97	1.76	1.72	1.95
3yr	2.12	1.90	1.85	2.10
5yr	2.41	2.19	2.12	2.39
7yr	2.72	2.49	2.40	2.70
10yr	3.07	2.84	2.72	3.05
15yr	3.45	3.27	3.10	3.43
20yr	3.64	3.50	3.29	3.62

2016 CDA Program Activity: Rural Initiatives

- Approved **30 applications** totaling **\$302.7 million** to support economic development/mixed-use initiatives
- Disbursed **\$156.1 million**



Eligibility Options for CDA: Economic Development

Eligibility Options:

commercial, industrial, manufacturing, social services, and public facility projects, or public/private infrastructure projects that meet one of the following three:

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


Geographic Beneficiaries

- Initiative located in a neighborhood at or below 80% of AMI (CDA Extra only)
- Urban initiatives targeting incomes up to 100% of AMI
- Rural initiatives targeting incomes up to 115% of AMI

How Can I Determine If a Region Is Eligible?

- Go to www.FFIEC.gov
- Select geocoding/mapping system
- Enter address
- Review median family data
- Annual income guidelines for CDA & CDA Extra (see slides 5 &6)

▼ Census Demographic Data

 Address: 100 MAIN ST, NASHUA, NH, 03060
MSA-State-County-Tract: 31700-33-011-0107.00

Census Income Population Housing

Tract Income Level	Low
Underserved or Distressed Tract	No
2017 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$78,400
2017 Estimated Tract Median Family Income	\$24,539
2010 Tract Median Family Income	\$26,908
Tract Median Family Income %	31.30
Tract Population	1432
Tract Minority %	37.85
Tract Minority Population	542
Owner-Occupied Units	74
1- to 4- Family Units	343



Image Placeholder

Community Development Advance Success Story

D & D Realty, LLV

CDA funds were utilized to support the acquisition of two retail properties located in an income-eligible census tract of Laconia, New Hampshire.

State: New Hampshire

Advance: 2-year; \$750,000

Jobs for New England

- Zero-percent interest rate advances to members for **low-interest** loans to small businesses
- **\$5 million** in interest-rate subsidy per year in 2016, 2017 & 2018
- Designed to **stimulate local economies** and provide a competitive advantage





Jobs for New England Success Story



Schilling Beer Company

Jobs for New England funds were used to purchase equipment and expand the business operation to include brewing.

State: New Hampshire

Jobs Created or Retained: 16

JNE Advance: 10-year \$1,065,000; \$240,827 subsidy

Questions?

