

Novel Coronavirus Pandemic Response

April 30, 2020



Overview

In response to the impact of the novel coronavirus (COVID-19), the FHLB Cincinnati has created a new, deeply discounted Advance program and expanded two existing discounted Advance programs to support its members.

- The RISE Program
- The Economic Development Program
- The Community Investment Program

RISE

Helping Businesses Rise
after Economic Hardships



RISE aspires to be...

- **Responsive** to the needs of our members and their customers.
- **Inclusive** of a variety of eligible business needs, such as working capital, lease payments and payroll.
- **Supportive** of our members as they help their local business communities recover.
- **Empowering** our members with additional tools to assist them during economic hardships.

What is the RISE Program?

- Six-month Fixed Rate Advance with:
 - Zero percent rate of interest.
 - A fixed term of six months.
 - Not pre-payable.
 - Not renewable.
- Explicit purpose of addressing COVID-19.

Who is eligible?

- All FHLB Cincinnati member financial institutions:
 - Commercial Banks
 - Community Development Financial Institutions
 - Credit Unions
 - Insurance Companies
 - Thrifts

What are eligible uses?

- All COVID-19 related activities.
- For example:
 - Funding Small Business Administration loans as prescribed under the CARES Act to the pandemic.
 - Assisting mortgage servicers with required investor remittances during borrower forbearance periods.

What are eligible uses (cont.)?

- Supplementing other delays in payments and facilitating other activities to supplement cash flow disruption of members and their customers.
- Insurance companies may use the program for activities such as deferring premium payments.
- Providing working capital to small businesses for needs such as lease payments and payroll expenses.
- Other COVID-19 related activities.

How much funding is available?

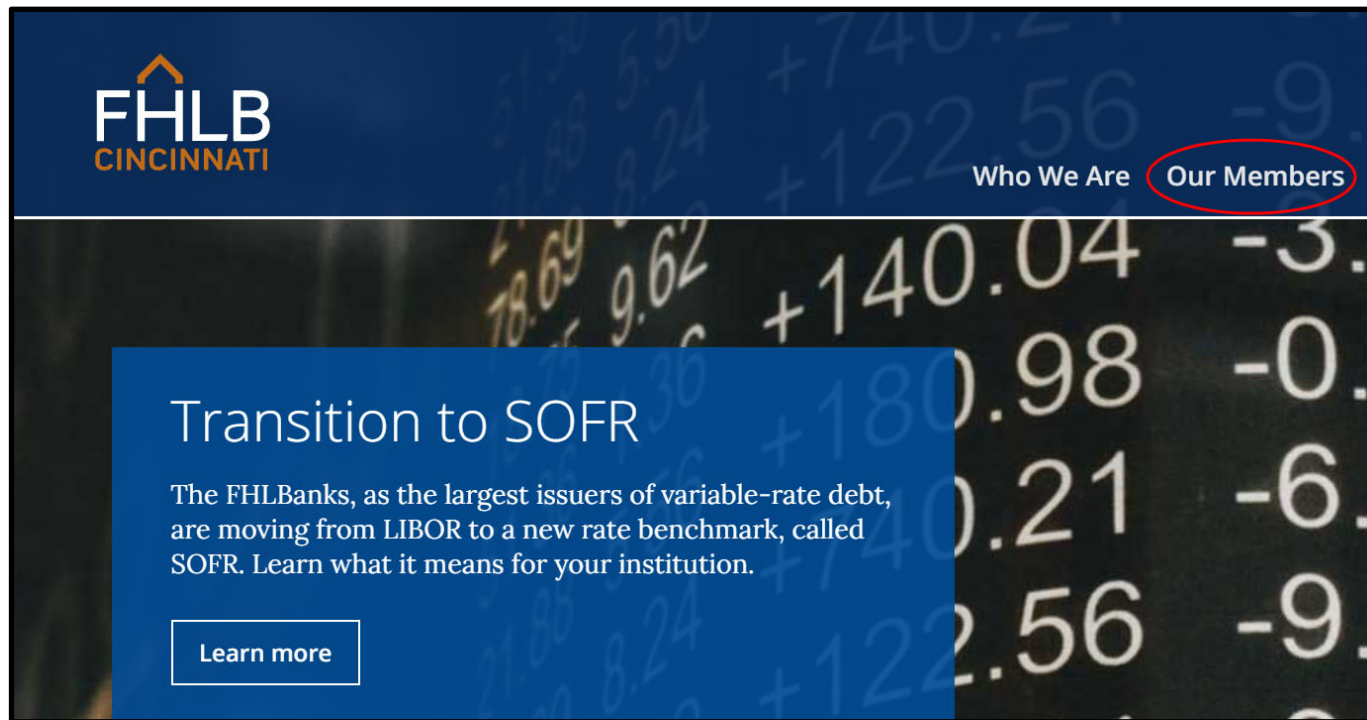
- Initial commitment of up to \$2 billion in notional Advances.
- Funds available on a first-come, first-served basis until exhausted or through 5 p.m. EDT, September 30, 2020.
- Program opens at 10 a.m. EDT, May 1, 2020.

How do I apply?

- Two Step Process
 - Apply for discount (“Pre-approval”).
 - Apply for Advance (“Disbursement”).

Pre-approval

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Pre-approval (cont.)

For assistance call (800) 781-3090



Pre-approval (cont.)

Rates

CMA Variable	CMA Fixed: 4 week	Fixed Rate
0.29 %	0.25 %	0.4

Indications as of 4/24/2020 12:48:25 PM

Collateral-based borrowing capacity

USED

Available

-

[Click here](#)

As of

Housing programs open for application

RISE/Economic Development Program

RISE is available through September 30.

Pre-approval (cont.)



Housing Program Forms

Please select the institution with which you are associated.

12345 – ABC Banking Company ▼

Select



Pre-approval (cont.)



Housing Program Forms

[Change Institution](#)

[Offerings](#) ▾

[Logout](#)

2020 RISE/Economic Development Program

Main Menu

[Application Request](#)

Please select the type of request you wish to submit from the selections above.

Note: Please allow up to 24 hours for processing.

Comments

A status of Submitted means your request has been completed online but has not been received in our database. It may take up to 24 hours to be received by the FHLB.

A status of Received means your request has been completed online and received in our database. This status does not constitute an approval of funds.

To learn about the Economic Development Program process and for complete program guidelines, reference the [Program Description](#).

The following requests have been submitted for [REDACTED] in 2020:



Pre-approval (cont.)



Housing Program Forms

[Change Institution](#) [Offerings ▾](#) [Logout](#)

2020 RISE/Economic Development Program

Application Request

[Main Menu](#)

Member Information

Member:

User:

Project Information

Project Name:

Project Addresses: [How-To](#)

Project Address 1:

City:

State:

Zip code:

County:

Census Tract:

Ex: '0107.15'

Look-up at www.ffiec.gov/geocode

Federal Congressional District:

Ex: 'OH22' or 'NY01'

Look-up at www.house.gov



Pre-approval (cont.)

- Project
 - Each RISE application is considered a project.
 - May submit multiple applications.
 - An application can be on behalf of a single COVID-19 activity or multiple activity.
- Examples:
 - Loan to a single business.
 - Multiple loans to multiple businesses.
 - Multiple PPP loan originations.

Pre-approval (cont.)

- Project Description
 - Describe activity as best you can.
 - Contact Bank with questions.
- Project Address
 - For single loans – address of beneficiary.
 - For multiple loans - use your Member address.

Pre-approval (cont.)

- Documentation
 - Listing of loans (name, address, amount, etc.)
 - Copy of loan docs
 - Other

Pre-approval (cont.)

- Reminders:
 - Check the RISE box under “Purpose of Financing.”
 - Reference the type of COVID-19 activity being undertaken in the “Provide a brief project description” box.
 - Select “I agree” to all the certifications in the “Member Certification” box.

Pre-approval (cont.)

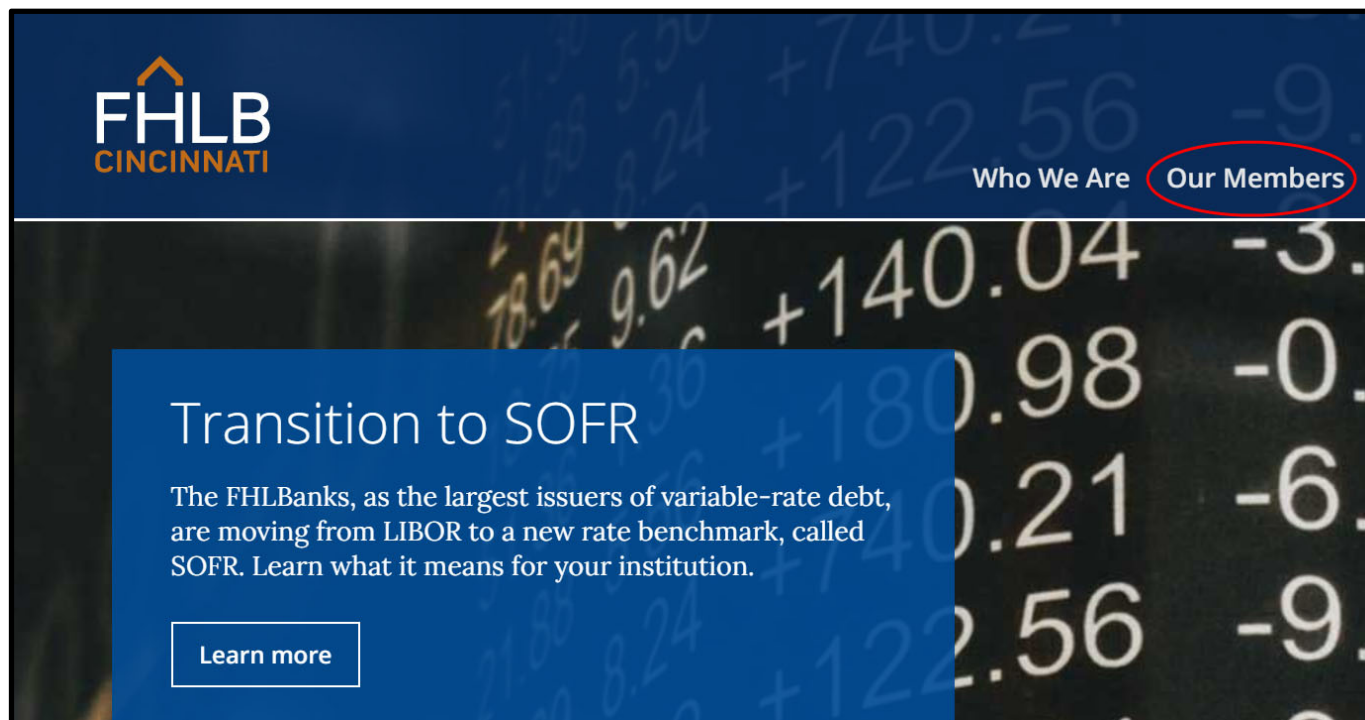
- Housing & Community Investment Department (HCI) Approval Letter.
 - Includes project number.
- No Harm / No Foul
 - Reapply.

Disbursement

- Complete the RISE Advance Application.
 - Credit Services Department.
 - Note your project number.
- Draw down the funds.

Disbursement (cont.)

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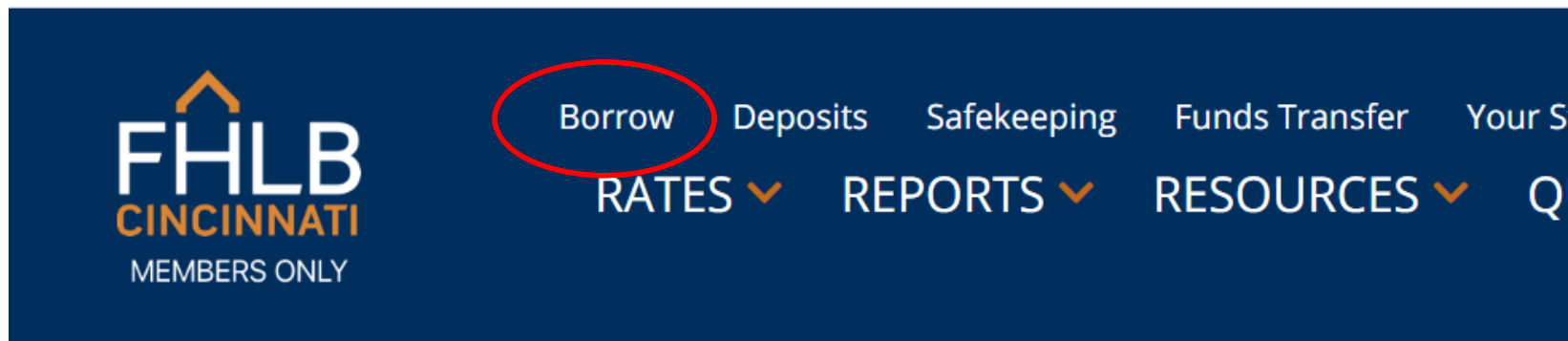


Disbursement (cont.)

For assistance call (800) 781-3090



Disbursement (cont.)



Rates

[> See all rates](#)

CMA Variable	CMA Fixed: 4 week	Fixed Rate: 11 month
0.29 %	0.23 %	0.42 %

Disbursement (cont.)

Documents and Forms

CREDIT SERVICES most popular

Short-term Advance application

CMA application

Credit Policy Manual

REPO Advance application

CMP Advance application

[See all Credit forms and documents](#)

Disbursement (cont.)

Advance Applications

- [Descriptions of all Advance products](#)
- RISE Advance [\[PDF\]](#)
- Application for Basic Fixed-Rate Advances and One-Year Variable [\[PDF\]](#)
- Balloon Payment Advance [\[PDF\]](#)
- Callable Advance [\[PDF\]](#)
- Cash Management Advance [\[PDF\]](#)
- Constant Monthly Payment Advance [\[PDF\]](#)
- LIBOR-Based Advance (Market Conventions) [\[PDF\]](#)
- One-Year Variable Advance [\[PDF\]](#)
- Open Line of Credit [\[PDF\]](#)

Disbursement (cont.)

- Call or Email:

Contact:



Jeff Berryman

800-828-4191

CreditOperations@fhlbcin.com



Lisa Wishart

800-828-4191

CreditOperations@fhlbcin.com

Conditions and limitations

- Members are eligible for the lessor of:
 - \$5 million
 - 1 percent of total assets
- Subject to the normal capital stock and collateral requirements (reference FHLB Credit Policy Manual).
- Member can mark-up the rate to their customer.

Examples of eligible RISE activity

- Fund origination of Paycheck Protection Program loans.
- Manage cash flow during borrower forbearance periods.
- Provide liquidity to businesses that need assistance with payroll, lease, utility, etc. payments.

Economic Development Program (EDP)



What is an EDP Advance?

- Regular Fixed Rate Advance with a term of at least one-year.
- Provides financing at FHLB Cost of Funds (COF) plus 4 basis points (bps).
- Finances economic development including lending to small businesses.

COVID-19 related changes

- Total funding for EDP and Community Investment Program (CIP) increased to \$1.50 billion from \$1.25 billion through September 30, 2020.
- Removed normal income restrictions.
- Removed minimum 1-year term requirement.

COVID-19 related changes (cont.)

- Funds utilized under the programs for maturity terms of six months or less will not be subject to a prepayment fee.
- Up to \$25 million per member for COVID-19 related activity through September 30, 2020.

Eligible EDP projects - COVID-19

- Must be COVID-19 related activity such as:
 - Funding Small Business Administration loans as prescribed under the CARES Act to the pandemic.
 - Assisting mortgage servicers with required investor remittances during borrower forbearance periods.
 - Supplementing other delays in payments and facilitating other activities to supplement cash flow disruption of members and their customers.

Eligible EDP projects - COVID-19 (cont.)

- Insurance companies may use the Advances for activities such as deferring premium payments.
- Providing working capital to small businesses for needs such as lease payments and payroll expenses.
- Other COVID-19 related activities.

Conditions and limitations

- All members are eligible for up to the lessor of:
 - The member's Additional Borrowing Capacity.
 - \$25 million in COVID-19 related funding.
- Maximum term of 5 years.
- Subject to the normal capital stock and collateral requirements (reference FHLB *Credit Policy Manual*).

Conditions and limitations

- Member can mark-up the rate to their customer.
- Priced daily – Contact Credit Services for indications.

Eligible EDP Advance types

- Balloon Payment
- Callable
- Constant Monthly Payment
- Regular Fixed Rate
- Special Amortizing

Pre-Approval

- Same process as outlined on slides 10 through 21 under the RISE Program EXCEPT:
 - DO NOT check the RISE Program box.

Disbursement

- Same process as outlined on slides 22 through 28 under the RISE Program EXCEPT:
 - Except instead of selecting RISE Advance Application (reference Slide 27), choose application for one of the products listed on Slide 39.

Next steps

- HCI Approval Letter:
 - Includes project number.
- Complete the appropriate Advance Application:
 - Credit Services Department.
 - Note your project number.
 - Specify desired term.
- Draw down the funds.

Examples of COVID-19 EDP projects

- Fund origination of Paycheck Protection Program loans.
- Manage cash flow during borrower forbearance periods.
- Provide liquidity to local business that needs assistance with payroll, lease, utility, etc. payments.

Community Investment Program (CIP)



What is a CIP Advance?

- Regular Fixed Rate Advance with a term of at least one-year.
- Provides financing at FHLB COF.
- Finances economic development activity.

COVID-19 related changes

- Total funding for EDP and CIP increased to \$1.50 billion from \$1.25 billion through September 30, 2020.
- Removed minimum 1-year term requirement.

What COVID-19 related changes were made (cont.)?

- Funds utilized under the programs for maturity terms of six months or less will not be subject to a prepayment fee.
- Up to \$25 million per member for COVID-19 related activity through September 30, 2020.

Conditions and limitations

- All members are eligible for up to the lessor of:
 - The member's Additional Borrowing Capacity.
 - \$25 million in COVID-19 related funding.
- Maximum term of 5 years.
- Subject to the normal capital stock and collateral requirements (reference FHLB *Credit Policy Manual*).

Conditions and limitations

- Member can mark-up the rate to their customer.
- Priced daily – Contact Credit Services for indications.
- Regulatory income requirements:
 - At least 51 percent of employees must have incomes < 80 percent of the HUD Area Median Income; or,
 - Business must meet the SBA’s definition of a “small business.”

Contact FHLB with questions

Eligible CIP Advance types

- Balloon Payment
- Callable
- Constant Monthly Payment
- Regular Fixed Rate
- Special Amortizing

Pre-Approval

- Same process as outlined on slides 10 through 21 under the RISE Program EXCEPT:
 - DO NOT check the RISE Program box.

Disbursement

- Same process as outlined on slides 22 through 28 under the RISE Program EXCEPT:
 - Except instead of selecting RISE Advance Application (reference Slide 27), choose application for one of the products listed on Slide 39.

Next steps

- HCI Approval Letter:
 - Includes project number.
- Complete the appropriate Advance Application:
 - Credit Services Department.
 - Note your project number.
 - Specify desired term and Advance product.
- Draw down the funds.

Examples of COVID-19 CIP projects

- Fund origination of Paycheck Protection Program loans.
- Manage cash flow during borrower forbearance periods.
- Provide liquidity to local business that needs assistance with payroll, lease, utility, etc. payments.

Final Thoughts



Final thoughts - RISE Program

- Six-month, zero percent interest rate.
- Initial offering of up to \$2 billion in total funding.
- Members eligible for up to the lessor of:
 - \$5 million.
 - 1 percent of total assets.
 - Subject to normal capital and collateral requirements.

Final thoughts - EDP

- Financing at FHLB's COF + 4 bps.
- Up to \$1.50 billion in total funding available.
 - EDP & CIP combined.
- Members eligible for up to \$25 million for COVID-19 related activity.
 - Subject to normal capital and collateral requirements.

Final thoughts - CIP

- Financing at FHLB's Cost of Funds.
- Up to \$1.50 billion in total funding available
 - CIP & EDP combined.
- Members eligible for up to \$25 million for COVID-19 related activity.
 - Subject to normal capital and collateral requirements.
- 80% AMI Restriction or Small Business definition.

Final thoughts - Recommendations

- Maximize RISE Program capacity first.
- Then maximize EDP capacity.
- Finally, maximize CIP capacity.
- Theoretically – maximum member capacity of \$55 million in subsidy.

For more information



List of webinars

- **www.fhlbcin.com**
- Select “Community Investment” link at the top of the page.
- Select “Webinars and Presentations” on the left-hand navigation menu.

Contact us

FHLB Cincinnati

Relationship Manager – (877) 925-3452

HCI Department – (888) 345-2246

Website – www.fhlbcin.com

Questions

