

## President's Message

In January, the Urban Institute released its second of a series of three comprehensive independent studies looking at the impact of the FHLBank System. The report, titled "The Value of the FHLBank System to Promote Housing and Community Development Lending," provides a detailed analysis of how the System supports housing finance and community development nationwide. Its findings affirm what many of you experience every day: Advances are a powerful, reliable tool that help members expand credit, strengthen their liquidity position and serve communities more effectively.



The study examined more than two decades of data across thousands of member financial institutions.

### FHLB Advances increase lending.

For every \$100 in Advances relative to assets, member banks increased total lending by roughly \$38. The effect was even stronger in the years following the financial crisis, underscoring the stabilizing role of the FHLBank System during periods of stress.

### Advances support mortgage originations.

The report found that increases in Advances are associated with higher mortgage origination volumes, including lending to low- and moderate-income households. Smaller institutions experienced some of the most significant impacts. This reinforces the System's role in ensuring that community lenders remain able to meet local housing needs.

### Community lending grows with access to FHLB funding.

Advances were shown to increase small business, farm and community development lending. The impact was especially meaningful for small and midsize institutions that rely on stable, affordable funding to meet local credit needs.

Between 2002 and 2024, increases in Advances contributed to an estimated \$1.82 trillion in additional lending, including \$850 billion in residential real estate lending. The study also found that Advances help institutions maintain lending capacity during periods of market volatility—reinforcing the System's role as a dependable source of liquidity in all economic cycles.

For FHLB Cincinnati, these findings reaffirm our mission and the value of our partnership with each of our members. We appreciate your business and the strong cooperative partnership you allow us to provide as your FHLB.

**ANDREW S. HOWELL**  
President & CEO

## Upcoming Events

**APRIL 6**

Welcome Home Program  
Application Opens

## FHLB Cincinnati Promotes Seven Officers

Seven officers were approved for promotion by the Board of Directors. Congratulations to the following officers, whose promotions were effective January 1, 2026:

**Riten M. Dixit,**

First Vice President, Financial Risk  
(from Vice President, Market Risk)

**Laura M. Gaffin,**

Vice President, Communications Officer  
(from Assistant Vice President, Communications Officer)

**Larry D. Lauger,**

Assistant Vice President, Portfolio Strategy  
(from Portfolio Strategy Officer)

**Vera Oliynyk,**

Assistant Vice President, Accounting Operations  
(from Accounting Operations Officer)

**Montez K. Shugars,**

Assistant Vice President, Relationship Manager  
(from Marketing Officer)

**Brooke C. Smith,**

Assistant Vice President, Government Relations Officer  
(from Government Relations Officer)

**Drew A. Sheehan,**

Member/Counterparty Credit Risk Officer  
(from Quantitative Risk Manager)



## 2026 Disaster Reconstruction Program Changes

The FHLB's Board of Directors has authorized several updates to the 2026 Disaster Reconstruction Program (DRP):

- Increase allowed administrative fee from 10 percent to 15 percent;
- Change the maximum first mortgage rate to 9 percent; and,
- Change the maximum second mortgage rate to 12.5 percent.

These adjustments bring the DRP into closer alignment with other FHLB Cincinnati offerings, promoting consistency and helping ensure that program resources continue to support families recovering from natural disasters across our district.

Information and materials for the 2026 DRP Program can be found at [www.fhlbcin.com](http://www.fhlbcin.com).

For additional questions, please reach out to the Housing and Community Investment department at 888-345-2246.



## Mark Your Calendar: Member Appreciation Events



The FHLB will host Member Appreciation Golf events again in 2026. We hope you'll join us at one of the following locations:

**Monday,  
April 27**

Westhaven  
Golf Club,  
Franklin, Tenn.

**Monday,  
May 4**

Valhalla Golf Club,  
Louisville, Ky.

**Monday,  
May 11**

Coldstream  
Country Club,  
Cincinnati, Ohio

**Tuesday,  
May 19**

Firestone  
Country Club,  
Akron, Ohio

Details on registration will be posted on our website soon. Additionally, all members are invited to participate in a virtual Stockholder Meeting on Wednesday, May 6. For questions, please reach out to the Marketing department at 513-852-7118.

## Dividend Declaration and Payment

At its December 18, 2025, meeting, the FHLB's Board of Directors declared a dividend for the fourth quarter 2025 at an 8.00 percent annualized rate. The dividend payment occurred December 18 in the form of cash.

## Welcome Home Program Updates

The Welcome Home Program (WHP) will open at 8:00 a.m. ET on April 6. The WHP provides grants to assist with down payment and closing costs for low- and moderate-income homebuyers purchasing or constructing a primary residence. Grant funds will be reserved on a first-come, first-served basis until all funds have been allocated.

### New for 2026:

- Each member is eligible to receive up to \$300,000 of WHP funds.
- The WHP process is being streamlined for greater efficiency. System enhancements are underway and expected to be completed by the end of March.

A WHP workshop has been scheduled for the morning of Thursday, March 12 at the Kemba Credit Union in West Chester, Ohio. A live webinar will also take place on Tuesday, March 17 at 10:00 a.m. ET, and a recording will be made available for anyone who cannot attend. Please visit [www.fhlbcin.com](http://www.fhlbcin.com) to register.

## Discount Note Floating Rate Advance Available

The FHLB's Discount Note (DN) Floating Rate Advance provides a source of term financing priced at a spread to the prevailing rates on four- and thirteen-week FHLB Discount Notes. This Advance:

- Can be used to replenish liquidity to targeted levels in the event of savings deposit withdrawals.
- Serves as an ongoing source of liquidity at rates comparable to or below other short-term liabilities.
- A means of funding other indexed rate assets (such as home equity loans) to achieve spread.

We remain committed to offering products that meet member funding needs. If you are in need of other funding options, please reach out to your FHLB relationship manager.

## International Funds Transfer

Effective June 30, members will no longer be able to initiate outgoing cross-border funds transfers that are considered international.

### What This Means for You

- International or cross-border wire transfers will be discontinued as of June 30, 2026.
- Any international transfers set to occur on or after this date will not be processed.
- Domestic (U.S.-based) funds transfer services will continue to be available without interruption.
- All existing Repetitive Funds Transfer Exhibit C's used for cross-border payments will be voided at the close of business on June 30, 2026.

### What You Should Do

- Review any recurring or scheduled international funds transfers.
- If necessary, arrange for an alternative provider before June 30, 2026.

For support or questions, call 513-852-7500 and choose the Correspondent Services or Funds Transfer options.



Advancements is a publication of the Federal Home Loan Bank of Cincinnati's Public Affairs department. Previous issues of Advancements are available at [www.fhlbcin.com](http://www.fhlbcin.com). Your comments and suggestions are welcome. Contact: Laura Gaffin, VP, Communications Officer at 513-852-7086, email [gaffinlm@fhlbcin.com](mailto:gaffinlm@fhlbcin.com).

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