



Membership Application for Community Development Financial Institutions (CDFIs)

Contacts:

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RETURN APPLICATION TO:

Federal Home Loan Bank of Cincinnati
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FEDERAL HOME LOAN BANK OF CINCINNATI CDFI MEMBERSHIP REQUIREMENTS

The eligibility requirements for membership in the Federal Home Loan Bank System are available in the Code of Federal Regulations at:

<https://www.ecfr.gov/current/title-12/chapter-XII/subchapter-D/part-1263>

Before completing the CDFI membership application, please review to ensure compliance with the following FHLB membership requirements.

1. Incorporated under state or tribal law.
2. Type of CDFI: community development loan fund, venture capital fund, and non-federally insured credit unions.
3. Must be certified as a CDFI by the CDFI Fund of the U.S. Department of the Treasury.
4. Must originate or purchase long-term residential home loans that are five years or greater in maturity.
5. Must provide independent audited financial statements, recent quarterly statements, and year-end financial statements.
6. Minimum financial condition standards: (Worksheet page 7)

Net Asset Ratio

Current ratio of net assets to total assets is at least 20 percent, where net assets is calculated as residual value of assets over liabilities

Earnings

Rolling three-year average of positive net income defined as gross revenue less total expenses

Loan Loss Reserves

Ratio of loan loss reserves to loans 90 days or more days delinquent must be at least 30 percent

Liquidity

Unrestricted cash and cash equivalents must be equal to or greater than the average quarterly operating expense for the most recent four quarters and for one or both of the two preceding years.

7. CDFIs are required to hold mortgage related assets that reflect a commitment to housing finance. Please provide a list of your mortgage related assets or mortgage related products and services.

FEDERAL HOME LOAN BANK OF CINCINNATI INSTRUCTIONS

1. Complete and send the following information to the Federal Home Loan Bank (FHLB) of Cincinnati:
 - A) General Information sheets (pages 3-4)
 - B) Board of Directors Resolution (page 5).
 - C) Application for Membership and Subscription of Stock in FHLB (page 6).
Membership stock purchase varies based on asset size as follows: \$0 to \$25 Billion (0.08 percent; Greater than \$25 to \$50 Billion (0.06 percent); Greater than \$50 to \$75 Billion (0.04 percent); Greater than \$75 to \$100 Billion (0.03 percent); Greater than \$100 Billion (0.02 percent).
2. Copy and send the following documents to FHLB:
 - A) Most recent six quarters of financial statements plus the three most recent year-ends;
 - B) Copy of CDFI fund certification;
 - C) The last three years of audited financial statements as prepared by a Certified Public Accountant.
 - D) Home financing policy or mortgage underwriting guidelines if applicable;
 - E) Provide a written narrative describing how the CDFI supports housing finance consistent with the FHLB's housing mission including loan originations and related investments, activities, and services;
 - F) Articles of incorporation or bylaws;
 - G) If the CDFIs has affiliates, please provide the affiliates financial position, line of business and relationship with CDFI.
3. The FHLB will notify you when the application is deemed complete and when membership is approved.

FEDERAL HOME LOAN BANK OF CINCINNATI

GENERAL INFORMATION

Name of Organization: _____

Address: _____

Phone Number / Fax Number: _____

Primary contact person: _____

1. For Managing Officer (CEO/President):

Name _____
 Title _____
 Number of years in office _____
 Email Address _____
 Phone _____

2. Date of incorporation: _____

Indicate if incorporated by state or tribal law: _____

3. Name, address and total consolidated asset size of immediate and top tier parent holding companies as of last quarter end, if applicable (attach separate sheet if needed).

4. Name and address of other organizations of parent holding company (attach separate sheet if needed).

5. Indicate type of residential mortgage loans originated or purchased by checking the appropriate box.

<u>Original Maturity</u>	<u>Fixed Rate</u>	<u>Variable Rate</u>	<u>Amortization Period</u>
5-year balloon:	_____	_____	_____ years
7-year balloon:	_____	_____	_____ years
10-year balloon:	_____	_____	_____ years
15-year:	_____	_____	_____ years
30-year:	_____	_____	_____ years
Other: _____	_____	_____	_____ years

6. Do you purchase and hold residential mortgage backed securities? _____

7. List names and titles of all directors and senior management (attach separate sheet if needed).

FEDERAL HOME LOAN BANK OF CINCINNATI GENERAL INFORMATION

8. Have there been any material law suits filed against your organization in the last three years? If yes, provide explanation.

9. Circle type of CDFI:

- A. Community development venture capital fund
- B. Community development loan fund
- C. State-chartered, non-federally insured credit union

10. Earnings:

Gross Revenue less total expenses:

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1st Qtr _____	1st Qtr _____	1st Qtr _____	1st Qtr _____
2nd Qtr _____	2nd Qtr _____	2nd Qtr _____	2nd Qtr _____
3rd Qtr _____	3rd Qtr _____	3rd Qtr _____	3rd Qtr _____
4th Qtr _____	4th Qtr _____	4th Qtr _____	4th Qtr _____
Total _____	Total _____	Total _____	Total _____

FEDERAL HOME LOAN BANK OF CINCINNATI BOARD OF DIRECTORS RESOLUTION

APPLICANT'S NAME _____

I certify that I am the duly elected, qualified, individual of the above mentioned applicant and that at a regular meeting of its board of directors/trustees or at a special meeting thereof called for that purpose, a quorum being present, a resolution was adopted, and recorded in the minutes as follows:

“BE IT RESOLVED that this institution applies for membership in the Federal Home Loan Bank of Cincinnati (FHLB), and that if approved for membership, it will subscribe and pay for stock therein as provided in the Federal Home Loan Bank Act, as amended (ACT), and if so approved for membership, that the institution be fully authorized to do business with the FHLB including but not limited to maintaining deposits, borrowing funds from and undertaking other financial accommodations with the FHLB, pledging of collateral and utilizing other correspondent banking services, and to exercise all the other privileges of membership in the FHLB, as provided in the Act;”

“BE IT FURTHER RESOLVED that the president and secretary of this institution, or any other officers designated herein or hereafter designated by supplemental resolutions, be authorized and directed to execute an application as prescribed by the Federal Housing Finance Agency (FHFA) and any other papers and documents required in connection therewith, to pay all expenses and to do all other things deemed by them as necessary or proper in connection with applying for, obtaining and retaining such membership privileges, or in order to do business with the FHLB as noted herein, as required by the FHFA or its regulations or as may be required by the FHLB.”

I certify that, pursuant to said resolution, the foregoing application for membership was duly executed and that any information and documents required by the Federal Housing Finance Agency are attached or accompany the same, that said information is correct and said documents are true and correct copies of what the same purport to be. I further certify that if our certification of CDFI is greater than three years that we have not undergone any material event that would adversely affect our strategic direction, mission or business operations.

I further certify that our institution, directors and senior management have not been the subject of any criminal, civil or administrative proceedings against the designated officials or the institution reflecting on credit worthiness, business judgment or moral turpitude; and that there are no known potential monetary liabilities, material pending lawsuits, or unsatisfied judgments against the institution.

I further certify that I have delegated authority to sign on behalf of the board of directors and that the applicant is authorized under the laws of the United States and of this State, and under its corporate charter, articles, constitution, regulations and/or bylaws, as applicable, and by the above-noted resolution, to apply for membership in and buy stock in the FHLB and to do business with the FHLB as noted in such resolution, as well as to retain such membership and pay all expenses incidental to such application; and that the foregoing has been properly authorized, legally done and validly executed to accomplish such purpose.

Signature/Title

FEDERAL HOME LOAN BANK OF CINCINNATI
Application for Membership and Subscription
of Stock in Federal Home Loan Bank of Cincinnati

Applicant Name _____

AS OF _____
(date of most recent call report)

The Applicant hereby applies for membership in the Federal Home Loan Bank of Cincinnati and if approved for membership will purchase _____* shares of stock in the par value of \$100 each for a total amount of \$_____. Furthermore it agrees to said stock purchase within 60 calendar days of approval for FHLB membership.

Applicant is of the opinion that it is eligible to become a member of said FHLB and that it is authorized to subscribe to and hold capital stock in said FHLB and to maintain deposits there. Applicant understands that this application must be considered, acted upon, and approved by the Federal Housing Finance Agency before becoming a member of said FHLB.

In submitting this application the applicant understands and agrees that:

- (1) It will be advised whether or not its application for membership is approved.
- (2) If admitted to membership, it will conform to all requirements of the Federal Home Loan Bank Act, as now or hereafter amended, and to rules and regulations thereunder.
- (3) In applying, and if this institution is admitted to membership, the said FHFA and said FHLB are authorized to receive any information, exam reports and other supervisory materials provided by the appropriate State or Federal regulatory authority or officer exercising supervisory authority over this institution regarding this institution and its affairs.
- (4) It will not represent itself to be a member of said Bank until it receives notice of admission to membership.

The undersigned is a duly authorized representative of the Applicant's board of directors and has read this application and that opinion of the undersigned, has made such examination and investigation as is necessary to enable him or her to express an informed opinion that this application complies, to the best of his or her knowledge and belief, and with the applicable requirements of the Federal Home Loan Bank Act and the rules and regulations thereunder.

(authorized agent)

*Note: Please contact the FHLB for an estimate of the stock requirements. The exact amount will be determined by FHLB upon receipt of application.

FEDERAL HOME LOAN BANK OF CINCINNATI

Minimum Financial Condition Standards Worksheet

Net Worth Ratio as of most recent financial statements (must be 20% or more)

Net Assets \$ _____
 (residual value of assets over liabilities)
 Divided by:
 Total Assets \$ _____
 Equal
 Net Worth Ratio of _____ %

Earnings

Applicant must have positive income on a rolling three year average basis

Net Income Year 1 \$ _____
 Net Income Year 2 \$ _____
 Net Income Year 3 \$ _____

 Total Income last 3 years \$ _____
 Divided by 3 for the average \$ _____

Loss Reserves as of most recent financial statements (must be 30% or more)

Loan Loss Reserve (end of audit period) \$ _____
 Divided by
 Total Loans past due 90 days or more \$ _____
 (include assets sold at full recourse)
 Equals
 Loss Reserve Ratio _____ %

Liquidity Ratio (must be at least 1.0 for the most recent 4 quarters and one or both of two preceding years)

	<u>Q 1</u>	<u>Q 2</u>	<u>Q 3</u>	<u>Q 4</u>	<u>Preceding Yr 1</u>	<u>Preceding Yr 2</u>
Unrestricted Cash and Cash equivalents	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Divided by:						
Average quarterly Operating Expense	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equals						
Liquidity Ratio	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

Indicate date of most recent financial statements used: _____