

§ 950.25

has provided evidence satisfactory to
the Bank that it is in compliance with
such requirements.
[58 FR 29469, May 20, 1993, as amended by 65
Redesignated and amended at 65 FR 44430,
July 18, 2000; 67 FR 12361, Mar. 20, 2002; 70 FR
9610, Feb. 28, 2005]

Subpart C—Advances to Out-of-
District Members and Housing
Associates

§ 950.25 Advances to out-of-district
members and housing associates.

(a) Establishment of creditor/debtor re-
lationship. Any Bank may become a
creditor to a member or housing asso-
ciate of another Bank through the pur-
chase of an outstanding advance, or a
participation interest therein, from the
other Bank, or through an arrange-
ment with the other Bank that pro-
vides for the establishment of such a
creditor/debtor relationship at the time
an advance is made.

(b) Applicability of advances require-
ments. Any creditor/debtor relationship
established pursuant to paragraph (a)
of this section shall be subject to all of
the provisions of this part that would
apply to an advance made by a Bank to
its own members or housing associates.
[65 FR 43981, July 17, 2000; 65 FR 46049, July
26, 2000, as amended at 67 FR 12852, Mar. 20,
2002]

PART 952—COMMUNITY INVEST-
MENT CASH ADVANCE PRO-
GRAMS

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SOURCE: 63 FR 65546, Nov. 27, 1998, unless
otherwise noted. Redesignated at 65 FR 8256,

§ 952.1 Definitions.

As used in this part:

Champion Community means a com-

munity which developed a strategic

plan and applied for designation by ei-
ther the Secretary of HUD or the Sec-
retary of the USDA as an Empower-
ment Zone or Enterprise Community,
but was designated a Champion Com-
munity.

CICA program or Community Invest-
ment Cash Advance program means:

(1) A Bank’s AHP;

(2) A Bank’s CIP;

(3) A Bank’s RDF program or UDF
program using any combination of the
targeted beneficiaries and targeted in-
come levels specified in §952.1 of this
part; and

(4) Any other advance or grant pro-
gram offered by a Bank using targeted
beneficiaries and targeted income lev-
els other than those specified in §952.1
of this part, established by the Bank
with the prior approval of the Finance
Board.

Economic development projects means:

(1) Commercial, industrial, manufac-
turing, social service, and public facility
projects and activities; and

(2) Public or private infrastructure
projects, such as roads, utilities, and
sewers.

Family means one or more persons
living in the same dwelling unit.

Housing projects means projects or ac-
tivities that involve the purchase, con-
struction, rehabilitation or refinancing
(subject to §952.5(c) of this part) of, or
predevelopment financing for:

(1) Individual owner-occupied hous-
ing units, each of which is purchased or
owned by a family with an income at
or below the targeted income level;

(2) Projects involving multiple units
of owner-occupied housing in which at
least 51% of the units are owned or are
intended to be purchased by families
with incomes at or below the targeted
income level;

(3) Rental housing where at least 51%
of the units in the project are occupied
by, or the rents are affordable to, fami-
lies with incomes at or below the tar-
geted income level; or

(4) Manufactured housing parks
where:

(i) At least 51% of the units in the
project are occupied by, or the rents
are affordable to, families with in-
comes at or below the targeted income
level; or

(ii) Such project is in an Empower-
ment Zone or Enterprise Community.
(ii) The project is located in a neighborhood with a median income at or below the targeted income level.

**Median income for the area**—(1) Owner-occupied housing projects and economic development projects. For purposes of owner-occupied housing projects and economic development projects, median income for the area means one or more of the following, as determined by the Bank:

(i) The median income for the area, as published annually by HUD;
(ii) The median income for the area obtained from the Federal Financial Institutions Examination Council;
(iii) The applicable median family income, as determined under 26 U.S.C. 143(f) (Mortgage Revenue Bonds) and published by a State agency or instrumentality;
(iv) The median income for the area, as published by the USDA; or
(v) The median income for the area obtained from another public entity or a private source and approved by the Board of Directors, at the request of a Bank, for use under the Bank’s CICA programs.

(2) Rental housing projects. For purposes of rental housing projects, median income for the area means one or more of the following, as determined by the Bank:

(i) The median income for the area, as published annually by HUD; or
(ii) The median income for the area obtained from the Federal Financial Institutions Examination Council;
(iii) The median income for the area obtained from another public entity or a private source and approved by the Board of Directors, at the request of a Bank, for use under the Bank’s CICA programs.

**MSA** means a Metropolitan Statistical Area as designated by the Office of Management and Budget.

**Neighborhood** means:

(1) A census tract or block numbering area;
(2) A unit of local government with a population of 25,000 or less;
(3) A rural county; or
(4) A geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographic designation that is within the boundary of but does not encompass the entire area of a unit of general local government.

**Provide financing** means:

(1) Originating loans;
(2) Purchasing a participation interest, or providing financing to participate, in a loan consortium for CICA-eligible housing or economic development projects;
(3) Making loans to entities that, in turn, make loans for CICA-eligible housing or economic development projects;
(4) Purchasing 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 eligibility requirements of the CICA program under which the member or housing associate borrower receives funding;
(5) Creating or maintaining a secondary market for loans, where all such loans are mortgage loans meeting the eligibility requirements of the CICA program under which the member or housing associate borrower receives funding;
(6) Originating CICA-eligible loans within 3 months prior to receiving the CICA funding; and
(7) Purchasing low-income housing tax credits.

**RDF or Rural Development Funding program** means an advance or grant program offered by a Bank for targeted community lending in rural areas.

**Rural area** means:

(1) A unit of general local government with a population of 25,000 or less;
(2) An unincorporated area outside an MSA; or
(3) An unincorporated area within an MSA that qualifies for housing or economic development assistance from the USDA.

**Small business** means a “small business concern,” as that term is defined by section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and implemented by the Small Business Administration under 13 CFR part 121, or any successor provisions.
§ 952.1 Targeted beneficiaries means beneficiaries determined by the geographical area in which a project is located (Geographically Defined Beneficiaries), by the individuals who benefit from a project as employees or service recipients (Individual Beneficiaries), or by the nature of the project itself (Activity Beneficiaries), as follows:

(1) Geographically Defined Beneficiaries:
   (i) The project is located in a neighborhood with a median income at or below the targeted income level;
   (ii) The project is located in a rural Champion Community, or a rural Empowerment Zone or rural Enterprise Community, as designated by the Secretary of the USDA;
   (iii) The project is located in an urban Champion Community, or an urban Empowerment Zone or urban Enterprise Community, as designated by the Secretary of HUD;
   (iv) The project is located in an Indian area, as defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.), Alaskan Native Village, or Native Hawaiian Home Land;
   (v) The project is located in an area and involves a property eligible for a Brownfield Tax Credit;
   (vi) The project is located in an area affected by a military base closing and is a “community in the vicinity of the installation” as defined by the Department of Defense at 32 CFR part 176;
   (vii) The project is located in a designated community under the Community Adjustment and Investment Program as defined under 22 U.S.C. 290m-2;
   (viii) The project is located in a Federally declared disaster area; or
   (ix) The project is located in a state declared disaster area, or other area that qualifies for assistance under another Federal or State targeted economic development program, approved by the Finance Board.

(2) Individual Beneficiaries:
   (i) The 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 project, other than construction jobs, are at or below the targeted income level; or
   (ii) At least 51% of the families who otherwise benefit from (other than through employment), or are provided services by, the project have incomes at or below the targeted income level.

(3) Activity Beneficiaries: Projects that qualify as small businesses.

(4) Other Targeted Beneficiaries. A Bank may designate, with the prior approval of the Finance Board, other targeted beneficiaries for its targeted community lending.

(5) Only targeted beneficiaries identified in paragraphs (1)(i) through (1)(iv), and (2)(i) and (2)(ii) of this definition are eligible for CIP advances.

Targeted community lending means providing financing for economic development projects for targeted beneficiaries.

Targeted income level means:

(1) For rural areas, incomes at or below 115 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable area median income standard or, at the option of the Bank, for a family of four;

(2) For urban areas, incomes at or below 100 percent of the median income for the area, as adjusted for family size in accordance with the methodology of the applicable area median income standard or, at the option of the Bank, for a family of four;

(3) For advances provided under CIP:
   (i) For economic development projects, incomes at or below 80 percent of the median income for the area; or
   (ii) For housing projects, incomes at or below 115 percent of the median income for the area, both as adjusted for family size in accordance with the methodology of the applicable area median income standard or, at the option of the Bank, for a family of four; or

(4) For advances or grants provided under any other CICA program offered by a Bank, a targeted income level established by the Bank with the prior approval of the Finance Board.

UDF program or Urban Development Funding program means an advance or grant program offered by a Bank for targeted community lending in urban areas.

Urban area means:
§ 952.2 Scope.

Section 10(j)(10) of the Act (12 U.S.C. 1430(j)(10) authorizes the Banks to offer Community Investment Cash Advance (CICA) programs. This part establishes requirements for all CICA programs offered by a Bank, except for a Bank’s Affordable Housing Program (AHP), which is governed specifically by part 951 of this chapter.

§ 952.3 Purpose.

The purpose of this part is to identify targeted community lending projects that the Banks may support through the establishment of CICA programs under section 10(j)(10) of the Act (12 U.S.C. 1430(j)(10)). Pursuant to this part, a Bank may offer Rural Development Funding (RDF) or Urban Development Funding (UDF) programs, or both, for targeted community lending using the targeted beneficiaries or targeted income levels specified in § 952.1, without prior Finance Board approval. A Bank also may offer other CICA programs for targeted community lending using targeted beneficiaries and targeted income levels other than those specified in § 952.1, established by the Bank with the prior approval of the Finance Board. In addition, a Bank shall offer CICA programs under section 10(1) of the Act (12 U.S.C. 1430(1)) (Community Investment Program (CIP)) and section 10(j) of the Act (12 U.S.C. 1430(j)) (Affordable Housing Program (AHP)). A Bank may provide advances or grants under its CICA programs except for CIP programs, under which a Bank may only provide advances.

§ 952.4 Targeted Community Lending Plan

Each Bank shall develop and adopt an annual Targeted Community Lending Plan pursuant to § 944.6 of this chapter.

§ 952.5 Community Investment Cash Advance Programs.

(a) In general. (1) Each Bank shall offer an AHP in accordance with part 951 of this chapter.

(2) Each Bank shall offer a CIP to provide financing for housing projects and for eligible targeted community lending at the appropriate targeted income levels.

(3) Each Bank may offer RDF programs or UDF programs, or both, for targeted community lending using targeted beneficiaries and targeted income levels other than those specified in § 952.1 of this part, established by the Bank with the prior approval of the Finance Board.

(b) Mixed-use projects. (1) For projects funded under CICA programs other than CIP, involving a combination of housing projects and economic development projects, only the economic development components of the project must meet the appropriate targeted income levels.

(2) For projects funded under CIP, both the housing and economic development components of the project must meet the appropriate targeted income levels.

(c) Refinancing. CICA funding other than AHP may be used to refinance economic development projects and housing projects, provided that any equity proceeds of the refinancing of rental housing and manufactured housing parks are used to rehabilitate the