

§ 970.4

and (2)(i) and (2)(ii) of this definition are eligible for CIP advances.

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 CICA 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 CICA advances 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.

UDA or *Urban Development Advance* means an advance made pursuant to a UDA program.

UDA program or *Urban Development Advance program* means a program offered by a Bank for community lending in urban areas.

Urban area means:

(1) A unit of general local government with a population of more than 25,000; or

(2) An unincorporated area within an MSA that does not qualify for housing or economic development assistance from the USDA.

USDA means the United States Department of Agriculture.

§ 970.4 Community Lending Plan

Each Bank shall develop and adopt an annual Community Lending Plan pursuant to § 936.6 of this chapter.

12 CFR Ch. IX (1–1–99 Edition)

§ 970.5 Community Investment Cash Advance Programs.

(a) *In general.* (1) Each Bank shall offer an AHP in accordance with part 960 of this chapter.

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

(3) Each Bank may offer RDA programs or UDA programs, or both, for community lending using the targeted beneficiaries or targeted income levels specified in § 970.3 of this part, without prior Finance Board approval.

(4) Each Bank may offer CICA programs for community lending using targeted beneficiaries and targeted income levels other than those specified in § 970.3 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 level for the respective CICA program.

(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 advances 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 projects or to preserve affordability for current residents.

(d) *Pricing and Availability of CICA advances—*(1) *Advances to members.* For CICA programs other than AHP and CIP, a Bank shall price advances to members as provided in § 935.6 of this chapter, and may price such advances at rates below the price of advances of similar amounts, maturities and terms made pursuant to section 10(a) of the Act. (12 U.S.C. 1430(a)).

(2) *Pricing of CIP advances.* The price of CICA advances made under CIP shall not exceed the Bank's cost of issuing consolidated obligations of comparable