FHLBank INDIANAPOLIS

NEWS RELEASE

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The Federal Home Loan Bank of Indianapolis awards $18.5 million in Affordable Housing Program funds to Michigan affordable housing developments

INDIANAPOLIS — The Federal Home Loan Bank of Indianapolis ("FHLBank Indianapolis" or "the Bank") announced that more than $33.7 million will be awarded in the 2026 round of its Affordable Housing Program, a critical source of grant funding that supports affordable housing development across the Bank's district of Indiana and Michigan. Of that amount, $18.5 million will be awarded to projects located in Michigan.

As a core piece of FHLBank Indianapolis' housing mission, the Affordable Housing Program ("AHP") provides grants that bridge the gaps left between other funding sources, providing the meaningful support necessary to get affordable development projects off the ground. AHP grants of up to $1 million per project fund the rehabilitation, construction and acquisition of units of affordable housing.

In 2026, FHLBank Indianapolis will award more than $33.7 million to 46 development projects designated as 'affordable', i.e., housing that costs no more than 30% of the gross income for a household making up to 80% of the local area median income (AMI). Of these, 32 projects will support 1,654 affordable rental units and 14 homeownership projects will support 120 units that will be sold as affordable homes to income-qualified households.

Research shows progress amid a persistent statewide housing shortage

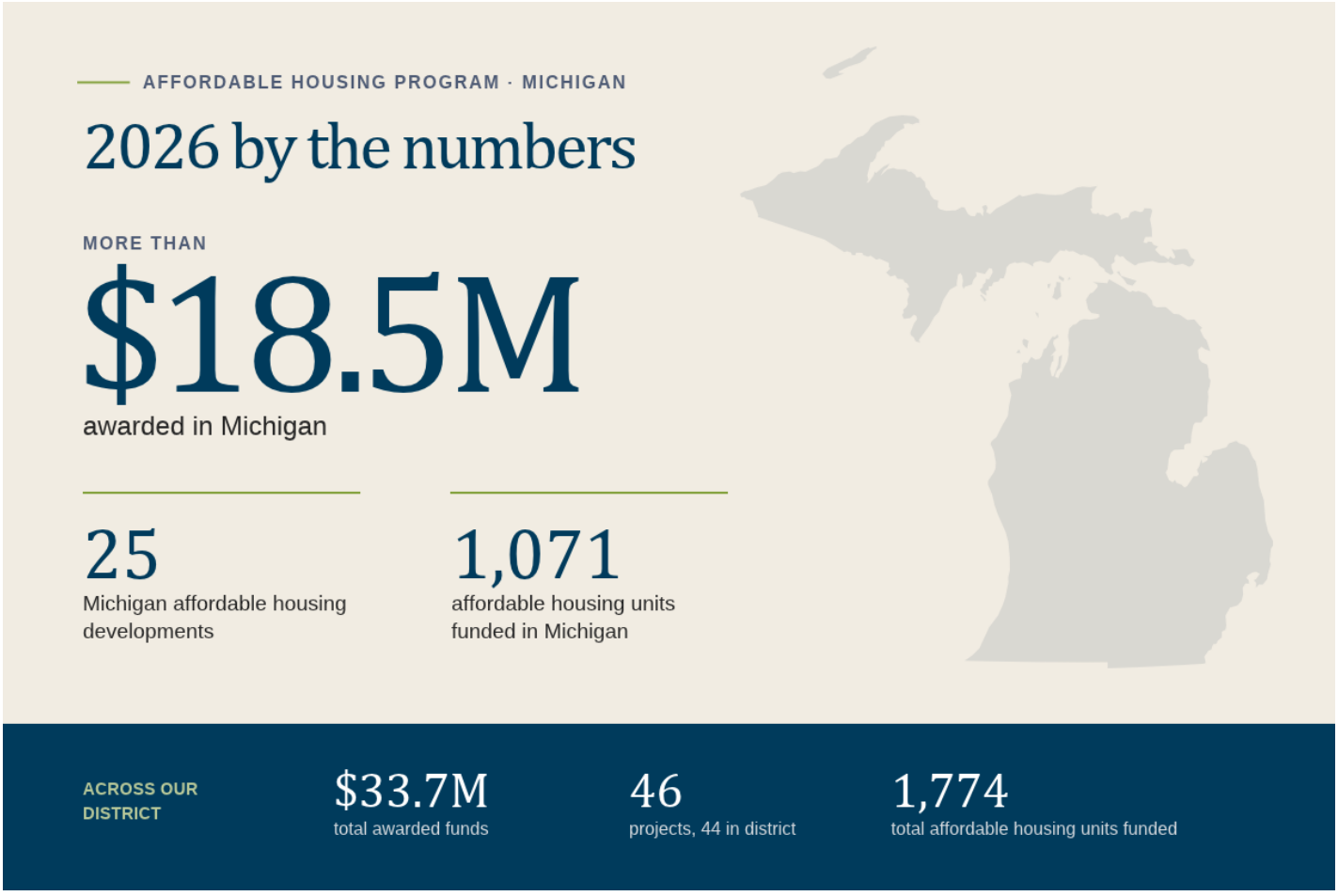
The Michigan State Housing Development Authority ("MSHDA") reports a statewide shortage of 97,000 housing units needed to shore up its supply of affordable housing and reduce the affordability crunch facing many low- and middle-income households. According to the National Low-Income Housing Coalition's ("NLIHC") 2026 report *The Gap: A Shortage of Affordable Homes*, for every 100 very-low income Michigan households (at or below 50% AMI), there are only 63 units of housing deemed affordable and available. Extremely low-income households (at or below 30% AMI) face an even greater deficit, with 37 homes affordable and available for every 100 Michigan households. Nationally, the NLIHC reports an overall shortage of 7.2 million homes that are affordable and available to extremely low-income renter households. Michigan officials point to recent successes, such as the Michigan Housing Opportunity Tax Credit, legislative changes designed to ease red-tape burden and streamline housing production, and targeted programs like

the Rate Relief program offered in partnership with FHLBank Indianapolis as key to resolving the problem.

“Our AHP provides a critical source of affordable housing development funding across the district we serve, and the 2026 round represents our greatest investment in Michigan housing by unit count to date, funding more than 1,000 affordable units across the state,” said Brendan McGrath, President and CEO of FHLBank Indianapolis. “We are proud to support the critical work our member financial institution and community partners do to increase housing stock and fortify Michigan communities.

2026 by the numbers:

- More than **$33.785** million in total awards
- More than **$18.5 million** awarded in Michigan
- **25** Michigan affordable housing developments
- **46** total development projects, 44 projects in district
- Developing **1,071** units of affordable housing in Michigan
- AHP will fund development for a total of **1,774** affordable housing units



Michigan Affordable Housing Program Awards

Project Name	Location	Member Financial Institution	Project Sponsor	Award Amount
123 E Kalamazoo Avenue Renovation	Kalamazoo	First National Bank of Michigan	Kalamazoo Gospel Ministries	$1,000,000
130 E. Grand Boulevard	Detroit	Independent Bank	Communities First	$1,000,000
19 Green St.	Battle Creek	Old National Bank	Haven of Rest Ministries of Battle Creek	$1,000,000
Alice Birney Townhomes	Detroit	Merchants Bank of Indiana	Wallick Asset Management LLC	$650,000
Belleview Village	Detroit	Independent Bank	Church of the Messiah Holding Corp.	$586,250
Building Community Phase IV	Grand Rapids	Mercantile Bank	Well House	$300,000
Court Street Station	Kalkaska	TBA Credit Union	Habitat for Humanity Grand Traverse Region	$600,000
DP Montcalm	Carson City	Independent Bank	Dwelling Place of Grand Rapids	$600,000
Froebel Place	Muskegon	Mercantile Bank	Samaritas	$1,000,000
Front Housing Initiative	Grand Rapids	Mercantile Bank	Mel Trotter Ministries	$1,000,000
Gardenview Townhomes	Detroit	Independent Bank	MHT Housing Inc.	$1,000,000
Habitat Huron Valley Home Improvement Program	Ypsilanti	Old National Bank	Habitat for Humanity of Huron Valley	$180,000
Hickory Way Apartments III	Ann Arbor	Bank of Ann Arbor	Avalon Nonprofit Housing Corporation	$950,000
KalRecovery	Kalamazoo	Mercantile Bank	Edison Community Partners LLC	$575,000
Lighthouse Ridge Apartments	South Haven	Merchants Bank of Indiana	Wallick Asset Management LLC	$650,000
Mackinaw City Homeownership	Mackinaw City	First Community Bank	Habitat for Humanity of NW Michigan	$400,000
Newmarket Commons I	Bay City	Independent Bank	MHT Housing Inc.	$1,000,000
Newmarket Commons II	Bay City	Independent Bank	MHT Housing Inc.	$1,000,000
Orchard Pines Phase I	Hillman	orsa credit union	Habitat for Humanity Northeast Michigan	$500,000

Shalom Village	Holland	Macatawa Bank, National Association	Lakeshore Habitat for Humanity	$1,000,000
Simmons Avenue Housing	Battle Creek	Advia Credit Union	Battle Creek Area for Humanity	$500,000
Sumpter Square	Charlotte	Merchants Bank of Indiana	Wisconsin Partnership for Housing Development	$1,000,000
Sunset Grove at South Haven	South Haven	Mercantile Bank	Samaritas	$800,000
Temple Senior	Mason	First National Bank of America	TWG Development LLC	$660,000
West Shore Apartments	Whitehall	Mercantile Bank	Dwelling Place of Grand Rapids	$600,000

In addition to 25 Michigan projects, the 2026 round will fund 19 Indiana developments and two out-of-district projects. View the complete list of 2026 Affordable Housing Program awards here.

To learn more about how FHLBank Indianapolis supports affordable housing development in Indiana, visit the Community Programs page on fhlbi.com for information on the Affordable Housing Program and other FHLBank Indianapolis Community Investment programs.

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Federal Home Loan Bank of Indianapolis: Building Partnerships. Serving Communities
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For more information about FHLBank Indianapolis, visit www.fhlbi.com and follow the Bank on LinkedIn, and Instagram and X at @FHLBankIndy. (Note: Content the Bank shares on its website and social media is not incorporated by reference into any of its filings with the SEC, unless and only to the extent that a Bank filing with the SEC expressly provides to the contrary.)