



Community Lending Plan 2010

I. Community Lending Plan

Each year the Federal Home Loan Bank (FHLB) of Des Moines publishes a Community Lending Plan. The Plan is a requirement of the Federal Housing Finance Agency in conjunction with the Community Investment Cash Advance (CICA) program that is administered by each FHLB. The purpose of the Plan is to conduct market research and describe how the FHLB will address the identified unmet credit needs and market opportunities for targeted community lending in its district. To satisfy this requirement FHLB Des Moines does the following:

- ◆ Conducts market research in the Bank's District.
- ◆ Consults with its Affordable Housing Advisory Council (AHAC), financial institution members, housing associates, and public and private economic development organizations in the district on developing and implementing its Plan.
- ◆ Establishes quantitative economic development lending performance goals.

FHLB Des Moines also provides information to its members on its CICA programs, economic development lending and affordable housing activities undertaken by members, housing associates, nonprofit housing developers, community groups, or other entities in the Bank's district. This information is useful for members exploring ways to engage in economic development lending to meet their community support requirements.

II. Market Research in 2009

In 2009, the Bank held nine regional member meetings around the district and solicited feedback from members on their needs. The Bank conducted a survey of members on economic development topics. The Bank's AHAC met in four locations around the Bank's district. These AHAC meetings included speakers and projects from those communities. Topics included member participation in affordable housing and community lending, community sustainability, supportive housing, Native American Housing and land trusts.

III. Market Research in 2010

In 2010, the Bank plans to research products and services to assist members and communities in meeting their community and economic development needs throughout the district. The Bank will also gain insight into unmet needs through regional member meetings. The Bank's AHAC will also provide input by meeting in four locations around the Bank's district. These AHAC meetings will include speakers and projects from those communities. The Bank also will review State Housing Finance Agency housing need studies, Federal Reserve studies, and Harvard University Joint Center for Housing Studies reports.



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IV. Bank Activities for 2010

The Bank will address identified credit needs and market opportunities in the Bank's district for targeted community lending by engaging in the following activities.

◆ **Continue Offering Community Investment Cash Advances (CICA)**

In these programs, the Bank makes advances at its cost of funds plus a markup to cover its administrative expenses. Based on September 30, 2009, balances, the Bank in 2010 will make approximately \$680 million available for CICA, including 2010 maturing CICA advances. There are two advance programs:

1. Rural Capital Advances (RCA) – the minimum RCA amount is \$25,000 and the maximum available per member is the greater of \$6 million or 15% of non-CICA borrowings for rural community development and commercial lending activities;
2. Regular Community Investments Advances – the minimum advance is \$100,000 and the maximum available per member is the greater of \$5 million or 15% of non-CICA borrowings for housing and commercial lending.

All CICA advances are available for terms from a minimum of six months to a maximum of twenty years.

◆ **Offer Member Education**

The Bank will hold nine regional member meetings across the district providing education on Bank products and services. The meetings will also provide an opportunity to receive feedback from members about their needs and the needs of their communities.

◆ **Enhanced Relationships with State Housing Finance Agencies (SHFA)**

The Bank will continue to meet with SHFAs to build on the financing arrangements completed in 2009 and to develop new business opportunities.

◆ **Continue Enhancing Relationships With Community And Economic Development Organizations**

The AHAC will meet in four locations around the district in order to expand the AHAC's knowledge of the communities and to build a relationship with those communities. The Bank will participate in and help sponsor conferences and workshops in the district that support the Bank's housing finance and community and economic development mission. The Bank collaborates with a number of economic and community development programs across the five states.



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Each year FHLB Des Moines publishes an annual report on its affordable housing and community investment programs. This is the AHAC annual report and it contains information on CICA advances and Bank CICA activities. The AHAC report serves as the annual notice provision of the CICA regulation.

V. Quantitative Plan Goals for 2009

The Bank will make CICA advances totaling \$300 million.

The Bank will make Rural Capital Advances totaling \$100 million.

The Bank will participate in or support 12 community lending conferences and workshops within the district.

The Bank will conduct a survey of members on Community Sustainability issues.

VI. Limits on CICA Advances

- ◆ Total outstanding CICA advance balances are limited to \$1.75 billion at December 31, 2010. During the year, the Bank may exceed this limit.
- ◆ The per member limit on CICA advances is the greater of 15% of non-CICA advances or \$5 million. However, if a member obtains advances for economic development in rural areas under the Bank's Rural Capital Advance program, the limit would be increased to the greater of 15% of non-CICA advances or \$6 million. The Bank president or the president's designee may waive this limit for members in federal disaster areas to allow the rebuilding of communities affected by such disasters.

The maximum percent of Area Median Income (AMI) to qualify for CICA advances to fund economic development and commercial lending is 115% for rural areas and 100% for urban areas.