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WORKING TOGETHER MAKING DREAMS A REALITY

AFFORDABLE HOUSING ADVISORY COUNCIL | 2009 ANNUAL REPORT



**FEDERAL HOME LOAN BANK OF DES MOINES
AFFORDABLE HOUSING ADVISORY COUNCIL**
2009 ANNUAL REPORT

Table of Contents

Introduction	3
Letter from the Chair	4
2009 Affordable Housing Advisory Council	6
Supportive Housing Priority	8
Economic Development Priority	10
Native American Priority	12
Homelessness Priority	14
Special Needs Priority	16
AHP 20 th Anniversary	18
2009 Affordable Housing Program Grant Recipients	23

Communities across Iowa, Minnesota, Missouri, North Dakota and South Dakota depend on FHLB Des Moines and its members for support through home loan originations for families, small business financing, commercial loans and so much more.

Through the competitive Affordable Housing Program, Native American Homeownership Initiative, Rural Homeownership Fund, Urban First-time Homebuyer Fund and Community Investment Advance offerings, FHLB Des Moines and its members are able to address the specific needs of individuals and communities affected by recent

economic changes. With the help of these programs, communities have been bolstered, small business owners have been empowered and families have found a helping hand. Together, FHLB Des Moines and its partners are dedicated to supporting district communities. After all, we're all just working together to make dreams become reality.





Donovan Mouton
2009 Affordable Housing
Advisory Council Chair

A legacy of commitment to communities

Since the creation of the Affordable Housing Program 20 years ago, FHLB Des Moines has been focused not only on supporting safe, decent and affordable housing, but on creating healthy communities. By nearly every measure, the Bank's programs have been successful. FHLB Des Moines has committed over \$190 million for affordable housing and served families and individuals across its five Midwestern states. The Bank has created successful partnerships and found new ways to expand economic development opportunities. Embedded within these successes is FHLB Des Moines commitment to five priorities identified by the Bank's Community Investment Department and Board of Directors and supported by the Bank's Affordable Housing Advisory Council. These include:

Supportive Housing – Provide low-income, disabled and homeless people the help needed to stay housed and living independently.

Economic Development – Support projects that create and preserve housing and jobs and build infrastructure to expand community growth.

Native American – Address the chronic problems associated with the housing needs on Native American Reservations, including overcrowding, poverty, unemployment and low household incomes.

Reduce Homelessness – Ensure that people have the opportunity for, and access to, a supply of housing available to homeless people.

Special Needs – Develop long-term affordable housing for seniors and people with special needs.

The Affordable Housing Advisory Council – a 15-member group made up of a diverse range of individuals from the Bank's five-state district – supports and builds on these priorities to respond to changing needs in the Bank's district.

In 2009, FHLB Des Moines awarded \$15.7 million in AHP grants and made over \$282.1 million in low-cost Community Investment Advances. Many times these programs provide the final piece of funding that allows a project to move forward.

Of the \$15.7 million in AHP grants, \$12.7 million funded 41 projects that will help build, revitalize or purchase 1,877 housing units.

\$1.0 million of the AHP funds were allocated to assist potential homebuyers purchasing homes in Native American Service Areas.

Another \$1.0 million was awarded to 23 members to assist potential homebuyers purchasing homes in rural areas.

The final \$1.0 million was awarded to 21 members to assist potential homebuyers purchasing homes in urban locations.

Community Investment Advances provided 44 members more than \$100 million for community homeownership or rental needs. A total of 41 financial institutions received nearly \$107 million to finance their economic development efforts, while 58 members used \$75 million in Rural Capital Advances.

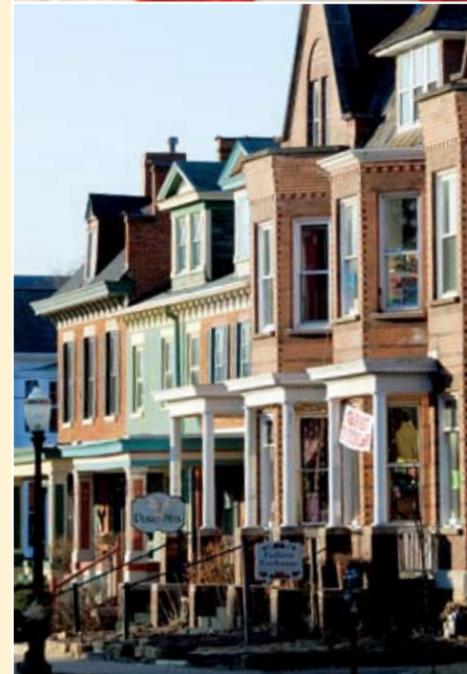
The Advisory Council met in Kansas City, Missouri; Aberdeen, South Dakota; Duluth, Minnesota; and Dubuque, Iowa, and was given the opportunity to see first-hand how the Bank's programs have made a difference in each community. Council members witnessed effective relationships between non-profit organizations, community development partners and member financial institutions by listening to their stories and touring their projects.

We plan to continue these efforts by working together with the Bank's Board of Directors, Bank management and Community Investment staff to create responsible solutions to an affordable housing shortage. In 2010, the Bank will offer one competitive

AHP funding round and three homeownership set-aside programs – Rural Homeownership Fund, Native American Homeownership Initiative and Urban First-time Homebuyer Fund. I encourage FHLB Des Moines members to take advantage of the Bank's programs and begin to build their own partnerships within their communities.

I am proud to share the 2009 Affordable Housing Advisory Council Annual Report with you and to celebrate the 20th Anniversary of the Affordable Housing Program. For 20 years, the Bank, its members and community partners have been committed to helping families and individuals realize the American Dream. We look forward to new opportunities and renew our dedication to the people, projects and communities throughout Iowa, Minnesota, Missouri, North Dakota and South Dakota for the next 20 years and beyond.


Donovan Mouton
2009 Affordable Housing Advisory Council
Chair



2009 AFFORDABLE HOUSING ADVISORY COUNCIL



Vanessa Baker-Latimer
Housing Coordinator
City of Ames Planning and
Housing Department



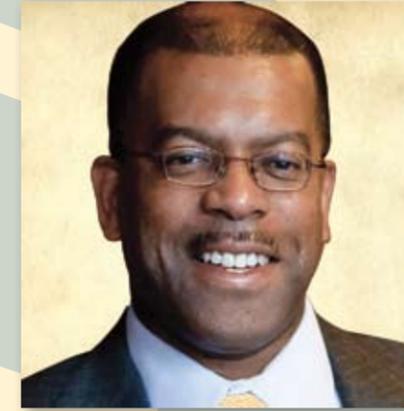
Melanie Benjamin
Mille Lacs Band of Ojibwe



Dan Buck
Chief Executive Officer
St. Patrick Center
2009 Affordable Housing Advisory Council
Vice Chair



Linda S. Morgan
Executive Director
Iowa Heartland Habitat for Humanity



Donovan Mouton
Program Director Kansas City Region
One Economy Corporation
2009 Affordable Housing Advisory Council
Chair



Shawn Pritchett
Economic Development Director
Dakota Business Finance



Freddie L. Davis-English
Retired Owner, FD English



Marcia Erickson
Executive Director
Northeast South Dakota Community
Action Program



Lynn Fundingsland
Executive Director
Fargo Housing and Redevelopment
Authority



Randy Railsback
Director
Green Hills RPC



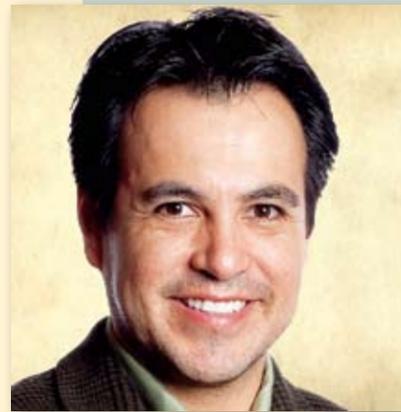
Paul Rechlin
Executive Director
Community Works North Dakota



Tonya White Mountain
Standing Rock Housing Authority



Warren Hanson
President and Chief Executive Officer
Greater Minnesota Housing Fund



Francisco Hernandez
Iowa State University
Extension



Zoe LeBeau
Senior Program Manager
Corporation for Supportive Housing

Helping residents find their way home

For many individuals, a combination of housing and comprehensive supportive services is needed to assist in their transition from homelessness to independence. While the programs and services offered by organizations providing supportive housing are varied, the goal remains the same: improving self-sufficiency and creating a permanent solution to homelessness.

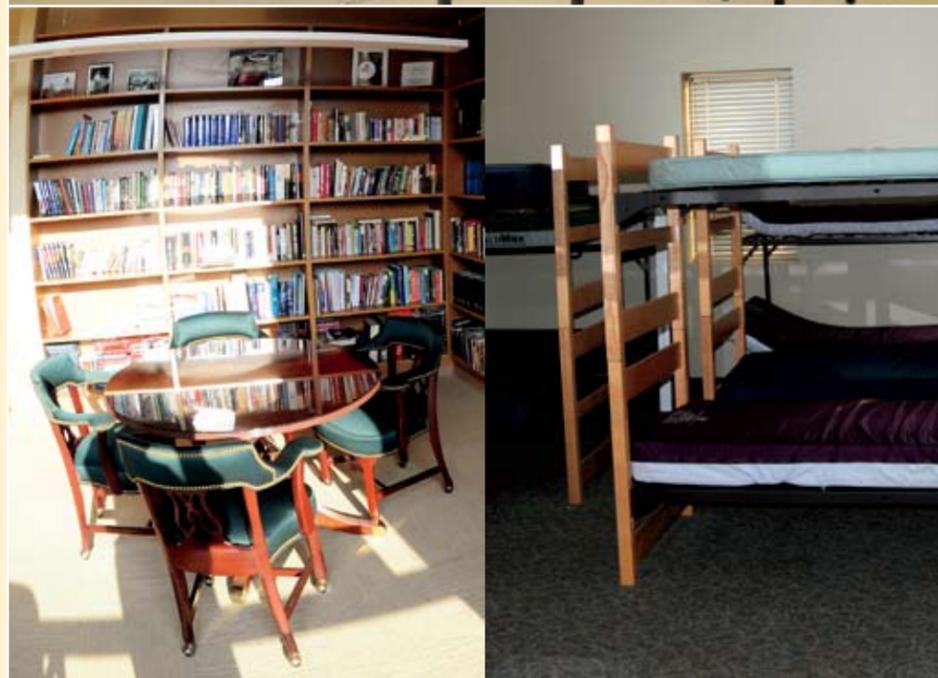
The supportive housing priority designates points for the AHP competitive scoring towards those projects that are designed to serve homeless people that face obstacles to maintaining quality of life. Factors may include mental illness, a chronic medical problem or, in the case of residents at City Union Mission, substance abuse.

For the last 86 years, City Union Mission has assisted homeless men, women and children across six Kansas City, Missouri locations. In 2009, City Union Mission provided almost

292,000 meals for the hungry and over 127,000 beds for the homeless. This is the only shelter for men in the city that doesn't turn anyone away simply because their beds are full. Instead, staff set out more mattresses in a dedicated overflow area.

Recognizing the increased demand for these services, the organization expanded to better serve this specific population. City Union Mission opened a new property in 2008 to provide transitional and permanent housing and a full range of supportive services to homeless men. Services such as counseling, education, job preparation and addiction recovery programs have made the difference between a productive life and falling back into homelessness.

“When someone first moves into the facility they are shocked at being able to call such a place ‘home’,” said Reverend Dan Doty, executive director, City Union Mission. “Many feel, for the first time in their adult



lives, that someone truly cares enough to provide a beautiful place for them while they put their lives back together.”

The 100-year-old building used for this project was rehabilitated using “green” design. Emphasis was placed on the use of natural light and outdoor space, an effort to be environmentally responsible while, at the same time, providing an atmosphere conducive to recovery issues. The wood is recycled cedar salvaged from a hurricane in Florida; a Rain Garden collects and cleans storm water; and gray water from showers is recycled and used during toilet flushing. Finally, a ground source heat pump system, connected to underground wells, reduces heating and air conditioning costs by 50 percent.

The expansion of the men's unit was made possible using a 2007 FHLB Des Moines AHP grant totaling \$500,000. Kansas City-based CommunityAmerica Credit Union partnered with City Union Mission for

the grant. CommunityAmerica, the city's largest credit union, does more than just give back to its community, it's committed to driving positive change in the communities it serves. CommunityAmerica employees are encouraged to volunteer at various non-profit organizations across the metro; they host financial education courses for Kansas City residents to help them become financially sound and also sponsor children's financial literacy efforts to help break the cycle of debt for future generations. Actions like these not only improve the lives of City Union Mission patrons, they strengthen the overall community.

During the 2009 competitive AHP round, City Union Mission and CommunityAmerica Credit Union secured a second grant for **\$468,000** to rehabilitate a three story building, **creating 200 units of housing** for homeless individuals. The project will reserve 100 of those units for supportive housing.

Restoring vitality to Missouri neighborhoods

The goal of the economic development priority is to increase flexibility in how communities approach economic growth, allowing them to focus on entrepreneurship and encouraging people to stay in their area. FHLB Des Moines helps members participate in the economic growth of their community through its Community Investment Advance and Rural Capital Advance.

These programs support business expansion, start-ups and small business retention and also finance housing. Members are provided lower rates for these advances, giving communities access to capital that can accelerate the development of projects and enhance the economic capacity of a community.

The Rural Capital Advance was created in May of 2005 in response to members and rural development experts requesting more resources for rural areas. F&M Bank and Trust Company in Hannibal, Missouri

applied for a \$1.15 million Rural Capital Advance in April of 2009. The bank was given a discounted rate on the advance, which they used to support the rehabilitation of a ballpark by Hannibal Sports and Entertainment. F&M Bank and Trust Company Executive Vice President, William Sharp, was eager to have another opportunity to develop his community. “In 2007, the bank secured a Rural Capital Advance to build a movie theater in the area, so we were proud to once again partner with developers to support this project. Rehabilitating the ballpark has created more jobs, increased foot traffic in a once blighted area and revitalized the downtown district of our city.” In total the ballpark project created 50 new seasonal jobs with nearly \$3.5 million in development costs.

The ballpark has a special spot in the history of the community. First built in 1924, the ballpark was named for Samuel L. Clemens, or Mark Twain, as he became known in the 1880s.

Clemens Field hosted amateur and semi-professional baseball in the community of Hannibal. When a fire destroyed the original field in 1936, the city sought funding from the New Deal’s Works Progress Administration (WPA) to rebuild the ballpark. Using a \$40,000 WPA grant and locally quarried limestone, the field re-opened in 1939. During World War II, Clemens Field served as a temporary camp for 200 German prisoners of war. The prisoners were put to work sorting military shoes that had been collected by the Army and sent to Hannibal shoe factories for repair.

Over its 85-year history, Clemens Field has served as an important community gathering place. Today, the community of Hannibal has restored this cherished

ballpark and it was recently named a historic federal landmark. The city kept the field’s historic features – its large grandstand, stone fence and baseball diamond intact and little altered since the property’s 1937 rehabilitation. The majority of the renovations were structural in nature and the ballpark is now up to major league standards with new lights, grass and underground piping.

In June of 2009, the Hannibal Cavemen, a summer collegiate team, began their inaugural season at the ballpark. “On average, 1,300 people attend a baseball game,” said Sharp. “In a town of 17,000, that is a lot of people who are spending their money locally and helping their community grow.”

In total, the ballpark project created 50 new seasonal jobs with nearly \$3.5 million in development costs.



Program addresses the housing needs of Native Americans

FHLB Des Moines is the only Bank within the Federal Home Loan Bank System that has a major strategy centered on Native American housing services. The Bank's Native American Homeownership Initiative and competitive AHP grants support affordable housing for members of tribes throughout FHLB Des Moines district. Through these programs, the Bank is actively supporting members and non-profit organizations that are working for future improvements on tribal lands.

Native American housing is still far more substandard than the rest of the country. An estimated 200,000 housing units are needed immediately on tribal lands and approximately 90,000 native families are under-housed. The issue for many reservations is severe overcrowding. Households are willing to take in extended family members to prevent them from living on the street. In tribal areas, 14.7 percent of homes are overcrowded, compared to 5.7 percent of homes belonging to the general U.S. population.

FHLB Des Moines partners with tribes and members to create healthy, affordable housing and improve community development in Native American communities. In 2007, Wells Fargo applied for two grants, totaling \$600,000, on behalf of Standing Rock Housing Authority to rehabilitate single-family homes on the Standing Rock Reservation located in North Dakota and South Dakota.

Housing leaders and tribal governments work to expand housing options for tribal members by either building or rehabilitating existing properties to provide rental opportunities. The Standing Rock Housing Authority constructs and manages over 900 homes for tribal members living on the reservation. The Housing Authority works to maintain existing housing units by implementing preventive maintenance and modernization. They have also developed new units across their service area, but the need for housing is still great on Standing Rock.



The Housing Authority has a waiting list of more than 200 families urgently in need of affordable housing. Many families are experiencing substandard housing and overcrowding. The number of persons per household in the Standing Rock Service Area is 4.60, compared to 3.27 for the state of North Dakota and 3.27 for the state of South Dakota.

The Standing Rock Sioux Tribe is part of the Great Sioux Nation with the Hunkpapa and Blackfeet bands. Sustaining culture, tradition and way of life is very important to the people of Standing Rock. The development of rental housing using the AHP grants was sensitive to the cultural heritage

of the tribe. Single-family homes were developed to serve a diverse geographic region.

The Housing Authority utilized the AHP grants to rehabilitate 40 rental units – units that would otherwise not be available because of the extreme difficulty of developing housing on the reservation due to limited resources. Roofs were replaced, kitchens were renovated, insulation was installed and windows were upgraded. Each of the properties now meets state codes and is more energy efficient. Two-, three- and four-bedroom units are now available for low-income families on the reservation because of the grants.

\$16.2 million has been awarded through competitive AHP grants to Native American projects.



Creating community in Clinton

FHLB Des Moines partners with members and their communities to create viable housing solutions for homeless individuals. The competitive grant program awards points to projects that address and prevent homelessness through the creation of rental, transitional and permanent housing for homeless households. These projects score well because they also meet the special needs population and promotion of empowerment priorities.

In 2007, Gateway State Bank in Clinton, Iowa applied for a \$450,000 AHP grant on behalf of Victory Center Rescue Mission. Serving the Clinton and Quad City Region of eastern Iowa, Victory Center Rescue Mission was founded in 1987 and is the only organization within a 50-mile radius that provides food and overnight or transitional housing to the homeless. It also provides three balanced meals daily and free medical service to the poor and uninsured. In 2009, 382 people found shelter at the Victory Center for a total of 9,370

nights. Of those, 74 people found permanent homes in the area. “The sluggish economy is creating a portfolio of hardships for the low- and very low-income individuals in Clinton County,” said Reverend Ray Gimenez, executive director, Victory Center. “The Victory Center has created a program that gives them hope and direction.”

The project was initiated when Victory Center outgrew its previous building and needed more space to better serve the homeless population. The new building offers 48 units for homeless men and 10 transitional units. A cafeteria accommodating nearly 75 people, large reception area, chapel and eight administrative offices are also available and create a campus-like environment.

The downtown location provides easy access to medical care, the library, entertainment venues, grocery stores and employment. Additionally, this project preserves the programming and

\$36 million: Amount awarded since 1998 through the competitive AHP to fund projects that create solutions to end homelessness.

supportive services needed by families residing in the downtown neighborhood.

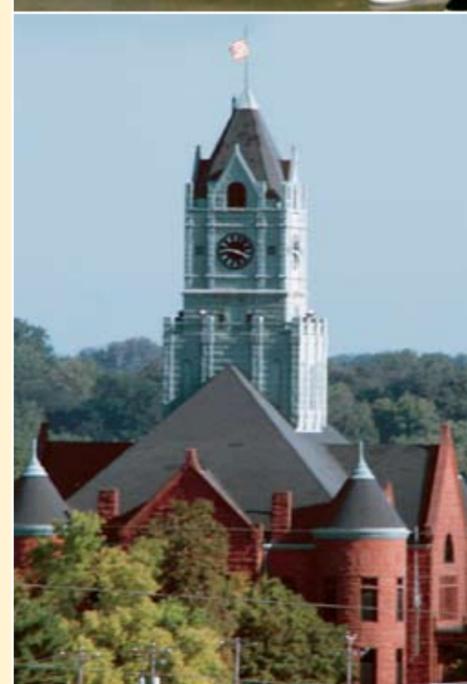
Some of the men are mentally or physically disabled, while others have a history of substance abuse. All clients receive a well-balanced set of empowerment initiatives coupled with support services, including case management, transportation, drug and alcohol counseling, job coaching, G.E.D. assistance and basic life skills training.

The Victory Center program creates an environment where lives are changed and individuals regain their self-esteem. All clients are held accountable for their own recovery, thereby reducing relapse risks. “It is our hope to break the cycle of dysfunctional behavior by battling the addictions of drugs, alcohol, gambling and other behaviors which cause destructive lifestyles,” said Reverend Gimenez.

Gateway State Bank and Victory Center Rescue Mission’s partnership extends beyond this specific project and ensures the livability and sustainability of Clinton. Individuals who have experienced homelessness often cycle between shelters, hospitals and jails which creates an additional cost for communities.

According to Paul Mulholland, commercial loan officer, Gateway State Bank was able to invest in an institution that allows residents the stability they need to organize their lives and their health.

In the end, the benefits aren’t restricted to individuals and families in need, they include everyone who lives and works in the community.



Building futures for women and children

An immediate cause of homelessness for women and children can be domestic violence. The availability of safe, affordable housing is very important for victims, as some are faced with the difficult decision to either stay with their abuser or sleep on the street.

Many times domestic violence is viewed as a national issue, but it even exists in small towns like Two Harbors, Minnesota. It can be especially difficult to escape an abusive relationship in rural areas because of a lack of transportation and support systems due to their isolated location. Many times these individuals have no options for supporting themselves in finding safe housing, employment, counseling and related services.

In Two Harbors, North Shore Horizons – an organization aiding adults and children in Lake County – helped 343 adults and children impacted by violence in 2009. Through the New Beginnings Supportive Housing

Program, a project partially funded by a \$120,000 AHP grant, the organization was able to serve 42 families who became homeless because of violence in 2009.

North Shore Horizons launched the New Beginnings Supportive Housing Program in 2008. Six on-site and four off-site low-income units with supportive services were made available to housing clients and other community members impacted by violence.

The tenants, all of whom were homeless prior to entering the project, are very grateful for their new space. Stephanie Coffey, executive director, North Shore Horizons, shared the pride the women have. “One housing resident said, ‘I feel so lucky and fortunate to be part of this project and get the support that I need.’” Another family who was living in a condemned building commented, ‘We tried to get help and there just wasn’t anything until North Shore Horizons came along.’”



“The key to success for many of our tenants are the supportive services available on-site,” said Coffey. North Shore Horizons advocates assist survivors by providing specialized services such as childcare, financial assistance and counseling in life planning and job development to help women and their children regain their independence. New Beginnings is the first supportive housing program in Lake County and has become a resource for housing issues and a catalyst to engage the community on poverty and homeless issues.

FHLB Des Moines member, The Lake Bank, secured the grant on behalf of North Shore Horizons. According to Christina Cavallin, chief financial officer of The Lake Bank, bank employees had volunteered their time for North Shore Horizons and were aware of the need for

additional housing for the women and their families.

“The Lake Bank had already intended to provide financial support for the project,” commented Cavallin. “Our ability to assist in a much greater capacity through the application for AHP funding was fantastic.”

The special needs priority of the competitive AHP grant application awards additional points to those projects that create affordable housing that may otherwise not be available to families or individuals with special needs. FHLB Des Moines has supported projects, like North Shore Horizons, across its district that have provided housing for the elderly, mentally or physical disabled persons, persons with AIDS and domestic violence victims.

One New Beginnings Supportive Housing Program resident said, “I feel so lucky and fortunate to be part of this project and get the support that I need.”



Twenty years of making dreams a reality

In 1989, the responsibility of the Federal Home Loan Bank System expanded when the Financial Institutions Reform, Recovery and Enforcement Act legislation established the Affordable Housing Program. Through AHP, FHLBank members now had the ability to provide more housing opportunities for families whose incomes were 80 percent or less of the area median income.

This commitment continues as the FHLBank System enters into its 20th year of funding the Affordable Housing Program and celebrates extending the American Dream to communities across the nation. In the next section, a variety of successful projects and partnerships are highlighted, but these are only a few of the things FHLB Des Moines, its members and non-profit organizations do to meet the range of unique needs that make up the Bank's district. Together, FHLB Des Moines and its members bring solutions to

communities and help more families find a place to call home.

1990s This decade marked the first round of AHP funding and the creation of the Rural Homeownership Fund. The Community Investment Cash Advance was amended to provide FHLBanks an avenue for financing projects that target economic development. In addition, Letters of Credit became available to support housing and community lending.

2000s A variety of programs were created or modified during this decade as the Bank heightened its focus on meeting the needs of the district. The Native American Homeownership Initiative, Urban First-time Homebuyer Fund and Rural Capital Advance were created to extend the reach of the Bank's Community Investment Programs. Letters of Credit could now be used for tax-exempt community lending.

Today AHP has become one of the largest private sources of grant funds for affordable housing in the United States. Nationally, the program has awarded \$4.0 billion in grants, helping to build or rehabilitate more than 623,000 housing units.

Across its five-state district, FHLB Des Moines has helped fund 1,000 affordable housing projects with a total of 37,000 units through the competitive AHP grants and 7,000 units through the down payment and closing-cost programs.

Totals:

State	Community Investment Advances	Competitive Grant Program
Iowa	\$1.04 B	\$32.1 M
Minnesota	\$1.68 B	\$59.5 M
Missouri	\$1.79 B	\$36.5 M
North Dakota	\$0.83 B	\$9.1 M
South Dakota	\$0.28 B	\$17.6 M

Totals:

Set-Aside Program Allocated	Amount to Program
Rural Homeownership Fund	\$16.9 M
Urban First-time Homebuyer Fund	\$3.9 M
Native American Homeownership Initiative	\$3.4 M
Urban Homeownership Fund	\$1.5 M
Disaster Fund	\$0.5 M



Native American Homeownership Initiative

The Native American Homeownership Initiative is a unique program offered by FHLB Des Moines that allows financial institutions the opportunity to reserve funds and provide down payment and closing cost assistance to members of Native American tribes located in the Bank's district.

Each year, \$1.0 million is set aside for NAHI and eligible homebuyers can receive up to \$10,000 in grants. Since the program was created in 2002, \$3.4 million has been allocated to fund 482 new homes for moderate- and low-income families and individuals.

Jesse and Nikki Roggenbuck were interested in owning their own home near the Twin Cities in Minnesota. While Jesse had a full-time job and Nikki worked part-time, they had a difficult time saving up enough money to cover the down payment and closing costs.

Nikki, a Native American and member of the White Earth Reservation, and Jesse realized the dream of homeownership after discovering that funds were available through the Minnesota Housing Finance Agency and the Native American Homeownership Initiative.

The Roggenbuck's were referred by the Urban Indian Housing Program to a mortgage loan originator at Bremer Bank and, in May of 2009, moved to Columbia Heights, Minnesota with their two young children. With the financial support they received, Nikki and Jesse were able to keep their housing expenses down and have a principle, interest, property tax and insurance payment only 4 percent higher than their rent. Like all NAHI recipients, the Roggenbuck's completed a financial literacy program prior to closing.

Since 2006, Bremer Bank has awarded 35 forgivable grants through NAHI in the amount of \$298,000. "It is our goal at Bremer to get individuals and families into homes they can afford *and* keep," said Sue Elkins, community development coordinator, Bremer Bank.

Increasing homeownership opportunities for American Indian families, fostering the development of life skills through financial literacy programs and promoting community development are all very important aspects of the NAHI program. For the Roggenbuck's, it meant moving out of a rental and having their very own place to call home.



Preserving Rural Housing Section 515 properties

USDA Rural Development Section 515 rental homes provide housing for very low-income individuals and families. However, funding for these properties has dropped significantly and many of the units are deteriorating. It is difficult to make improvements when tenants have an average annual income of less than \$10,000 and rental rates cannot be increased to cover costs.

FHLB Des Moines recognizes the importance of these properties to rural communities and consistently supports grant applications that rehabilitate the homes. Since 2000, FHLB Des Moines has awarded nearly \$8.0 million to the USDA's Section 515 Rural Rental Housing, rehabilitating 38 rental properties.

Leasburg Senior Citizens Home, Inc. plays a crucial role in providing homes for the elderly and disabled who are unable to afford homeownership in Leasburg, Missouri. Thirty-two one-bedroom apartments are available for rent. Half of the units were built in 1978 and the remaining units were constructed in 1982. Since that time, very few improvements had been made and the buildings had begun to deteriorate. The group's best option to make the much needed repairs was to seek a grant to renovate units, striving to make them maintenance free on the outside and energy efficient on the inside.

This effort would also reduce maintenance costs and utility bills, resulting in additional revenue to address day-to-day needs.

Realizing the importance of this property to the community, Town and Country Bank, in partnership with Leasburg Senior Citizens Home, Inc., applied for a \$374,247 AHP grant to perform significant work on the property. Roofs, vinyl siding, guttering, exterior doors and kitchen cabinets were replaced. Maintenance-free metal fascia and soffits, energy efficient windows and smoke detectors were installed. Sidewalks were repaired and electrical outlets brought up to code.

Clifford Crawford, a tenant of the Leasburg property, is very grateful for the work. "The USDA and the Home Loan Bank have made it possible for people like me to have a better life. All I can say is thank you – from the bottom of my heart, thank you."

In total, six contractors and vendors utilized 23 employees to finish this project. The USDA Rural Development Section 515 projects not only improve the quality of life for people, like Clifford Crawford, but also stimulate the local economy and provide jobs to community members.

Partners in affordable housing

FHLB Des Moines has established successful partnerships with Housing Finance Agencies (HFAs) in Iowa, Minnesota, Missouri, North Dakota, South Dakota and the Minnesota Chippewa Tribe Finance Corporation. The HFA's mission to serve residents is supported by their ability to access FHLB Des Moines resources.

As associate members of FHLB Des Moines, HFAs have utilized Bank products and tools to meet their liquidity challenges. The Bank's lower-cost of funding has allowed them to reduce borrowing costs, secure funds when other sources are no longer available and, most importantly, maintain their bonding authority. In total, HFAs are using over \$2.0 billion in FHLB Des Moines products.

In order to apply for an AHP grant, each HFA works with a FHLB Des Moines member. Wells Fargo Bank and the Iowa Finance Authority secured \$500,000 in 2008 to provide 50 qualified buyers who were purchasing properties out of foreclosure with \$10,000 grants to assist with down payment and closing costs. Each homebuyer took part in pre-closing education courses and counseling sessions to help ensure that they would be able to sustain homeownership.

"Wells Fargo believed the reach of this program would have a positive impact for communities throughout Iowa," said Kim Jones, Wells Fargo Bank. "We supported the application to create housing for low-income families who would not have the opportunity to purchase a home without this program."

Upon receipt of the funds from FHLB Des Moines, the Iowa Finance Authority assisted in the purchase and conversion of foreclosed or abandoned properties into affordable housing that helped ensure a vibrant economic foundation within communities across the state. "Stable residential neighborhoods are a necessity to maintaining the vitality of communities," said Irene Hardisty, director of homeownership programs, Iowa Finance Authority. "Neighborhoods in decline result in lower values, people moving away and local businesses losing income."

The model the Iowa Finance Authority used to address foreclosure was two-fold. Not only were they able to reduce the number of foreclosed properties throughout the state, but also assist low-income families in purchasing a new home. The \$10,000 grants enhanced the opportunity for sustainable homeownership and helped stabilize communities across Iowa.



2009 FHLB Des Moines Competitive Affordable Housing Program Recipients

Iowa

Carroll

Project Name: Region XII COG Homeowner Assistance
Member Name: Iowa State Bank
Sponsor Name: Region XII Council of Governments
Requested Grant Amount: \$397,500
 75 single-family homeownership units

Creston

Project Name: Southern Iowa Emergency Repair Program #4
Member Name: Farmers & Merchants State Bank
Sponsor Name: Southern Iowa Council of Governments
Requested Grant Amount: \$240,800
 24 single-family homeownership units

Osceola

Project Name: Mosaic Housing Corporation – Osceola/Waukon
Member Name: American State Bank
Sponsor Name: Mosaic
Requested Grant Amount: \$100,000
 16 multifamily rental units

Minnesota

Aitkin

Project Name: Aitkin Supportive Housing – Butlers Building Apartments
Member Name: Security State Bank
Sponsor Name: Advocates Against Domestic Abuse
Requested Grant Amount: \$160,000
 16 multifamily rental units

Backus

Project Name: Cass County Owner Occupied Rehab Project
Member Name: The First National Bank of Walker
Sponsor Name: Cass County HRA
Requested Grant Amount: \$90,000
 30 single-family homeownership units

Cass Lake

Project Name: Leech Lake Homes V
Member Name: Western National Bank
Sponsor Name: Leech Lake Reservation Housing Authority
Requested Grant Amount: \$350,000
 50 multifamily rental units

Alexandria

Project Name: Alexandria Supportive Housing Development
Member Name: U.S. Bank National Association ND
Sponsor Name: Accessible Space, Inc.
Requested Grant Amount: \$70,000
 14 multifamily rental units

Bemidji

Project Name: Bemidji Supportive Housing
Member Name: First National Bank Bemidji
Sponsor Name: Beltrami HRA
Requested Grant Amount: \$500,000
 19 multifamily rental units

Cass Lake

Project Name: Leech Lake Homes VI
Member Name: Western National Bank
Sponsor Name: Leech Lake Reservation Housing Authority
Requested Grant Amount: \$350,000
 25 multifamily rental units

GRANT RECIPIENTS

Minnesota cont.

Grand Rapids

Project Name: Grace House
Member Name: Grand Rapids State Bank
Sponsor Name: Grace House of Itasca County
Requested Grant Amount: \$500,000
21 multifamily rental units

Grand Rapids

Project Name: Northeast Regional Rehabilitation Project
Member Name: American Bank of the North
Sponsor Name: Kootasca Community Action
Requested Grant Amount: \$270,000
50 single-family homeownership units

Mentor

Project Name: Northwest Minnesota Housing Rehab Leverage Fund
Member Name: Unity Bank North
Sponsor Name: NW MN Multi-County HRA
Requested Grant Amount: \$487,500
75 single-family homeownership units

Minneapolis

Project Name: Habitat for Humanity of Minnesota
Member Name: Bremer Bank, NA
Sponsor Name: Habitat for Humanity of Minnesota, Inc.
Requested Grant Amount: \$495,000
55 single-family homeownership units

Minneapolis

Project Name: Riverview Apartments
Member Name: Western Bank
Sponsor Name: Plymouth Church Neighborhood Foundation
Requested Grant Amount: \$210,000
42 multifamily rental units

Minneapolis

Project Name: Alliance Northside Properties
Member Name: Franklin National Bank of Minneapolis
Sponsor Name: Alliance Housing, Inc.
Requested Grant Amount: \$191,700
13 multifamily rental units

Owatonna

Project Name: Youngdahl Living
Member Name: United Prairie Bank
Sponsor Name: South Central Human Relations Center
Requested Grant Amount: \$480,000
16 multifamily rental units

Ponemah

Project Name: Ponemah Rental Project 1
Member Name: Wells Fargo Bank, NA
Sponsor Name: Red Lake Reservation Housing Authority
Requested Grant Amount: \$420,000
14 single-family homeownership units

Slayton

Project Name: Southwest Minnesota Regional Rehabilitation Pool
Member Name: United Prairie Bank
Sponsor Name: Southwest Minnesota Housing Partnership
Requested Grant Amount: \$270,000
50 single-family homeownership units

St. Paul

Project Name: Naomi Family Residence
Member Name: U.S. Bank National Association ND
Sponsor Name: Union Gospel Mission Twin Cities
Requested Grant Amount: \$280,000
28 multifamily rental units

St. Paul

Project Name: Kings Crossing Apartments at Frogtown Square
Member Name: Western Bank
Sponsor Name: Episcopal Homes, Inc.
Requested Grant Amount: \$250,000
49 multifamily rental units

St. Paul

Project Name: Lexington Commons Apartments
Member Name: U.S. Bank National Association ND
Sponsor Name: CommonBond Communities
Requested Grant Amount: \$350,000
48 multifamily rental units

St. Peter

Project Name: Liberty Oaks Apartments
Member Name: First Farmers & Merchants National Bank
Sponsor Name: Southwest Minnesota Housing Partnership
Requested Grant Amount: \$102,000
12 multifamily rental units

Waubun

Project Name: White Earth Homes IV
Member Name: Midwest Bank
Sponsor Name: White Earth Reservation Housing Authority
Requested Grant Amount: \$350,000
30 multifamily rental units

Missouri

Arcadia

Project Name: Frederick Terrace Apartments
Member Name: First State Community Bank
Sponsor Name: Arcadia Valley Senior Citizens, Inc.
Requested Grant Amount: \$483,220
52 multifamily rental units

Bourbon

Project Name: Autumn Age Homes Rehab
Member Name: Town & Country Bank
Sponsor Name: Autumn Age Homes, Inc.
Requested Grant Amount: \$234,938
47 multifamily rental units

Gallatin

Project Name: Rest Easy Apartment, Inc.
Member Name: BTC BANK
Sponsor Name: Rest Easy Apartment, Inc.
Requested Grant Amount: \$295,491
40 multifamily rental units

Jonesburg

Project Name: Jonesburg Senior Housing Improvement Project
Member Name: Jonesburg State Bank
Sponsor Name: Jonesburg Senior Citizens Housing, Inc.
Requested Grant Amount: \$87,400
23 multifamily rental units

Kansas City

Project Name: Men's Center
Member Name: CommunityAmerica Credit Union
Sponsor Name: City Union Mission, Inc.
Requested Grant Amount: \$468,000
200 multifamily rental units

Richland

Project Name: Richland Citizen's Housing
Member Name: First State Bank of St. Robert
Sponsor Name: Richland Citizen's Housing, Inc.
Requested Grant Amount: \$166,924
21 multifamily rental units

St. Clair

Project Name: Greater St. Clair Homes Rehab
Member Name: Farmers & Merchants Bank
Sponsor Name: Greater St. Clair Homes
Requested Grant Amount: \$403,850
56 multifamily rental units

St. Clair

Project Name: St. Clair Home Owner Rehabilitation Project 2009
Member Name: Farmers & Merchants Bank
Sponsor Name: City of St. Clair
Requested Grant Amount: \$500,000
100 single-family homeownership units

St. James

Project Name: Homeowner Rehabilitation in the Meramec Region
Member Name: Phelps County Bank
Sponsor Name: Meramec Community Enhancement Corporation
Requested Grant Amount: \$145,000
25 single-family homeownership units

St. Louis

Project Name: Places at 5235 Page
Member Name: Southwest Bank of St. Louis
Sponsor Name: Places for People
Requested Grant Amount: \$300,000
23 multifamily rental units

Steelville

Project Name: Steelville Homes, Inc.
Member Name: First Community National Bank
Sponsor Name: Steelville Homes, Inc.
Requested Grant Amount: \$375,064
48 multifamily rental units

Willow Springs

Project Name: Willow Springs Senior Housing Project 2009
Member Name: West Plains Bank and Trust Company
Sponsor Name: Willow Springs Senior Housing Corporation
Requested Grant Amount: \$495,000
96 multifamily rental units

North Dakota

Belcourt

Project Name: Turtle Mt. HIP & CDBG
Member Name: Bremer Bank, NA
Sponsor Name: Turtle Mt. Band of Chippewa – Home Improvement
Requested Grant Amount: \$100,000
 20 single-family homeownership units

South Dakota

Aberdeen

Project Name: HAPI Homebuyers Program
Member Name: Dacotah Bank
Sponsor Name: Homes Are Possible, Inc.
Requested Grant Amount: \$437,500
 125 single-family homeownership units

Rapid City

Project Name: Home Modifications and Adaptive Devices Program
Member Name: BankWest, Inc
Sponsor Name: Western Resources for dis-ABLED Independence
Requested Grant Amount: \$250,000
 25 single-family homeownership units

Sisseton

Project Name: Home Rehabilitation Project 2009
Member Name: Wells Fargo Bank, NA
Sponsor Name: Northeast South Dakota Community Action Program
Requested Grant Amount: \$445,500
 90 single-family homeownership units

Aberdeen

Project Name: HAPI Home Rehab Program
Member Name: Dacotah Bank
Sponsor Name: Homes Are Possible, Inc.
Requested Grant Amount: \$500,000
 100 single-family homeownership units

Sioux Falls

Project Name: Sioux Falls Supportive Housing Development
Member Name: U.S. Bank National Association ND
Sponsor Name: Accessible Space, Inc.
Requested Grant Amount: \$70,000
 14 multifamily rental units

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