

Growing & Sustaining Communities

Affordable Housing Advisory Council
2010 Annual Report



FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

On the cover



A community garden planted near a neighborhood of 19 new Habitat for Humanity homes called Shadewood Place in Evansville, IN, is just one small part of a much larger Glenwood Community Development Initiative. The Habitat homes are being constructed with the support of an AHP grant of \$285,000 through First Federal Savings Bank.

“When the Glenwood Initiative was started, the resident focus groups determined six categories that needed to be addressed in their community: housing, education, clean and green, business and commerce, safety, and health and well being. Several activities to improve the neighborhood included clean-up days, the community garden on the Glenwood school property and a health fair. The Evansville Vanderburgh School Corporation is transforming the Glenwood School into a K-8 Leadership Academy that will focus on leadership development and community partnerships.”

Monica L. Stinchfield - Sr. Vice President, Mortgage Lending, First Federal Savings Bank Evansville, IN

2010 Affordable Housing Advisory Council



FRONT ROW LEFT TO RIGHT
Rev. Adrian M. Brooks, Sr. – CEO, Memorial Community Development Corp., Evansville, IN; **Jacquelyn Dodyk** - Chair, Executive Director, Affordable Housing Corp., Marion, IN; **Michelle LaJoie** – Vice Chair, Housing Assets Director, Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc., Sault Ste. Marie, MI; **Sage Hales** - Executive Director, Hamilton County Area Neighborhood Development, Inc., Noblesville, IN

BACK ROW LEFT TO RIGHT
Jack Brummett – Regional President, Great Lakes Capital Fund, Indianapolis, IN; **Tahirih Ziegler** – Executive Director, Local Initiatives Support Corp. (LISC), Kalamazoo, MI; **Marc Craig** - President, Community Housing Network, Troy, MI

NOT PICTURED
James Davis – VP Finance/CFO, LaCasa, Inc., Goshen, IN; **Sally Harrison** – Director, Rental Development and Homeless Initiatives, Michigan State Housing Development Authority, Lansing, MI; **Timothy Lemanski** – CEO, Kalamazoo Neighborhood Housing Services, Inc., Kalamazoo, MI; **J. Jacob Sipe** – Director Multi-Family Manager, Indiana Housing and Community Development Authority, Indianapolis, IN

2010 Board of Directors Affordable Housing Committee



SEATED LEFT TO RIGHT
Christine Coady – President & CEO, Opportunity Resource Fund, Lansing, MI; **Mike Hannigan** – Chair, President, The Hannigan Company, LLC, Indianapolis, IN

MIDDLE ROW LEFT TO RIGHT
Paul Clabuesch – Chairman Emeritus, Thumb National Bank & Trust, Pigeon, MI; **Charles Crow** – Chairman & CEO, Community Bank, Noblesville, IN; **Elliot Spoon** – Assistant Dean for Career Development & Professor of Law in Residence, Michigan State University College of Law, East Lansing, MI

BACK ROW LEFT TO RIGHT
Larry Swank – President & CEO, The Sterling Group, Mishawaka, IN; **James Logue III** – Senior Vice President & COO, Great Lakes Capital Fund, Lansing, MI; **Jonathan Bradford** – Vice Chair, President & CEO, Inner City Christian Federation, Grand Rapids, MI; **Carl Liedholm** – Professor of Economics, Michigan State University, East Lansing, MI

Message from the Advisory Council Chair



Jacquelyn Dodyk

Members of the FHLBI's Affordable Housing Advisory Council (Council) had an exciting and productive 2010, highlighted by several special events. On June 9, the National Housing Conference recognized AHP as the 2010 "Housing Program of the Year" at a gala event in Washington, DC. In July, the Council joined the FHLBI's Board of Directors for a tour of housing projects in Ann Arbor, Michigan, to see first-hand the impact and stability provided to this community through partnerships among nonprofit sponsors, member community financial institutions and the FHLBI programs. In December, the Federal Housing Finance Agency held a leadership forum to review FHLB System issues with the Chair and Vice Chair leaders of the Councils, allowing us to discuss housing issues and strategies with our counterparts throughout the nation.

Through open dialogue at our quarterly meetings, the Council informed the Board of Directors and FHLBI staff of critical housing needs in the district. As Michigan and Indiana continue to be negatively impacted by the foreclosure crisis, guest speakers from the Indiana Foreclosure Prevention Network and Michigan Foreclosure Task Force presented the status of efforts to address foreclosures and the impact on families and communities in the district. Other public policy issues considered during Council meetings included property tax exemptions for nonprofit owned affordable housing, property values in Detroit and the reluctance of lenders to provide financing, the need for more tax credit investors, and the growing need for rental housing.

The Council and staff developed a 2010 goal to focus on the pipeline of potential AHP projects, working to identify members to partner with these projects, especially in Michigan where the loss of larger financial institution members is most evident. Community Investment staff in coordination with the Marketing Department conducted four regional workshops throughout Michigan in March 2010. With 127 members and community organizations attending, the workshops provided valuable networking opportunities and contributed to 5 members participating in the competitive AHP for the first time.

A subcommittee of the Council and Affordable Housing Committee joined to develop the 2011 AHP Implementation Plan to address receding federal stimulus funding and other broader impacts on the affordable housing industry. For 2011, the Council, Board Committee and staff will consider ways to address the critical need of lending for job creation and retention, particularly by promoting the FHLBI's Community Investment Cash Advance Programs.

I am proud to have led the Council during 2010 and join with my colleagues to share the success stories outlined on the following pages.

Sincerely,

Jacquelyn Dodyk
 Executive Director
 Affordable Housing and Community Development Corporation
 Marion, IN

Message from the President

The FHLBanks were created almost 80 years ago to respond to the housing needs of Americans during a time of crisis, and they continue to address those needs today through the Affordable Housing Program (AHP). Since its creation in 1989, the FHLBI's community investment staff has worked closely with our Affordable Housing Advisory Council to develop programs that help create safe and affordable housing opportunities in Indiana and Michigan. Their collective vision, creative thinking and dedication have guided us through program modifications to help ensure that income-qualified families have the housing assistance they need.



Milton J. Miller

Comments by members and their partners featured throughout this report reflect the value that the FHLBI's programs bring to neighborhoods. Our homeownership initiatives, for example, are vital and in strong demand. In fact, for the past two years, requests for down payment, closing cost and home repair assistance have exceeded the annual fund allocation. Program users have lists of people they are waiting to help and are eager for the next year's programs to begin.

Our Community Investment Program (CIP) also plays a critical role in both housing and economic development. In 2010, FHLBI members used \$119.4 million in CIP advances and letters of credit to help create or retain jobs and develop affordable housing. These low-cost products are priced below comparable FHLBI funding with favorable terms, offering members an opportunity to reduce their funding costs while helping to improve their communities.

To increase usage and foster partnerships with local organizations, the community investment staff strengthened their efforts to educate members about our programs. Events such as webinars and workshops were well attended and helped boost program participation, with five members using the AHP for the first time in 2010.

The 2010 Community Spirit Award recipients, Sonali Allen of Mercantile Bank and Mark Gould of Old National Bank, exemplify the people at our member institutions who work to make our programs an integral part of their communities. Their dedication to affordable housing and economic development is greatly appreciated, and I congratulate both of them on receiving this distinction.

I extend my sincerest thanks to our members that have participated in the community investment programs over the years. I encourage all of our members to tap into these vital resources as they respond to housing and economic development challenges in their communities. The programs present an opportunity to participate in important initiatives that can eventually lead to a community's long-term growth and sustainability.

Sincerely,

Milton J. Miller
President - CEO

Summary of Programs

Partnerships are key to the successful funding solutions delivered by FHLBI to assist low- to moderate-income families obtain safe and affordable housing and to assist local communities in Indiana and Michigan emerge from the challenges of the recent economic crisis. Through partnerships with its member institutions, the FHLBI has helped advance vital community projects and continues its track record of providing affordable housing assistance for those most in need.

As a result of outreach in a difficult year, seven members that had not applied for AHP in the past five years partnered with housing organizations to submit successful AHP projects, five of which applied in 2010 for the first time. Four members became new Homeownership Initiatives participants in 2010, and three members expanded their program usage to include homeowner rehabilitation. On behalf of the Affordable Housing Advisory Council, the community investment staff would like to thank members and sponsors for their support and use of these programs.

Affordable Housing Program

Through two competitive offerings, nearly \$10.5 million in AHP subsidy was awarded to create or preserve 846 units of affordable owner-occupied and rental housing, with 24 members submitting a total of 49 applications. Since the program's inception in 1990, the FHLBI has awarded a cumulative total of \$158.5 million to create over 22,635 units of affordable housing.

Homeownership Initiatives Programs

In the 2010 program year, \$5.9 million was disbursed as down payment and closing cost assistance or homeowner rehabilitation grants through HOP, NIP and NSA. These funds were disbursed through 52 members to help 832 individuals and families become homeowners or maintain their existing homes.

Program requirements and amounts vary, but grants typically range from \$3,000 to \$10,000 per household. Although funds from the FHLBI may be used only once per household, the funds may be paired with other grant programs such as HOME or CDBG. Households must be at or below 80% of the area median income to qualify and must work either directly with an FHLBI member institution or a member in association with a non-profit housing agency.

Community Investment Program

The Community Investment Program (CIP) encourages members to increase their involvement in housing and community-based economic development. In 2010, \$23.4 million was disbursed through six member institutions.

In addition, the FHLBI issued nearly \$96 million in letters of credit to provide credit enhancement for low- to moderate-income rental and community economic development projects. The federal authority to offer letters of credit for tax-exempt non-housing municipal bond issuances was very well-utilized in the district, supporting important community projects that allowed for expansion of small family-owned businesses and job creation or retention.

FHLBI AHP, Homeownership, CIP Initiatives Summary 2006-2010

(\$ in millions)

YEAR	2006	2007	2008	2009	2010
AHP SUBSIDY	\$ 9.3	\$ 9.1	\$ 9.6	\$14.9	\$ 10.5
AHP UNITS	973	871	566	926	846
HOP/NIP SUBSIDY	\$ 5.0	\$ 4.3	\$ 5.7	\$ 8.1	\$ 5.9
HOP/NIP UNITS	1,168	1,549	1,113	1,425	832
CIP	\$154.9	\$133.3	\$160.5	\$67.0	\$119.4

Affordable Housing Program

Post Secondary Transition House SAGINAW, MI

Working with the Saginaw Intermediate School District, SVRC Industries developed this project to allow disabled students from the school district's Transitions Center Post Secondary Educational Program to learn about independent living first hand while they live in their own apartments. Each unit will contain a handicapped accessible bathroom, great room, and full kitchen with a community room on the main floor and an activity room in the basement.

This 6,700 sq. ft. apartment building will have the capacity to house 8 students who will be allowed to live at the facility for up to 18 months while they are enrolled in the post secondary program developing the necessary skills to live independently in the community. The apartments will also provide a community/training area for other students as they begin to learn about independence with training that includes apartment living, transition counseling, employment training, financial management/literacy, daily living skills, simple maintenance, and meal preparation.

SVRC Industries worked with FHLBI member Wanigas Credit Union to obtain an AHP grant of \$750,000 to help support the \$1.6 million project.

"Wanigas Credit Union is founded under the philosophy of people helping people. This is evident in the partnership with SVRC Industries and the AHP grant."

Bernie Williams - CEO, Wanigas Credit Union
Saginaw, MI



Post Secondary Transition House



Providence Hall

Providence Hall WEST TERRE HAUTE, IN

Located on the Saint-Mary-of-the-Woods campus, the oldest Catholic liberal arts college for women in the U.S., Providence Hall is home to the Sisters of Providence who are retired and other seniors in the community. Significant renovations at Providence Hall were needed to better accommodate residents' needs by making the building fully accessible and energy-efficient, along with modernizing its systems while preserving its historic nature. The 46 bedrooms were

reconfigured to add adjoining bathrooms, replacing the common bathrooms at the ends of the hallways and improving accessibility for seniors who use walkers, canes, or motorized chairs. Other renovations included the addition of two kitchenettes on each of the three floors, large and small community rooms throughout the hall for a variety of activities, and an update to the chapel.

A \$750,000 grant was awarded to the Sisters of Providence of Saint-Mary-of-the-Woods through FHLBI member Terre Haute Savings Bank.

Keystone Village TRAVERSE CITY, MI

Recently completed by HomeStretch, a nonprofit regional developer of affordable housing, Keystone Village is composed of 3 two-story buildings, each containing 8 one- and two-bedroom apartments. The development offers several barrier-free apartments and a community room. This project is responding to local housing needs very well, with a short rent-up period and an extensive waiting list.



Keystone Village

Keystone Village serves residents facing many different social issues who need housing, including the homeless, the disabled victims of domestic violence, runaway youths, and those released from foster care or the juvenile justice system.

An AHP grant of \$250,500 helped to fill the financing gap this project experienced as a result of the inability to obtain Low Income Housing Tax Credits. The project has supportive agreements with 12 different area service agencies.



Charis House

Charis House FT. WAYNE, IN

Brotherhood Mutual Insurance Company partnered with Ft. Wayne Rescue Mission Ministries to obtain an AHP grant of \$750,000 to help Charis House build a new, larger facility for women and children suffering from homelessness, mental illness, addictions, and trauma. The new 24,590-square foot facility expanded capacity to serve 78 women and children each night, nearly doubling the capacity of the previous facility. Charis House will now be able to serve over 300 women and children annually.

The facility features 21 bedrooms, 12 staff offices and the following centers of support and care.

- **Community room - Transforms lives through chapel services, special events and the relationships formed during meals.**
- **Toddler/preschool room - Supports infants in the cultivation of healthy motor and cognitive skills in a loving environment.**
- **Elementary room - Provides a safe environment for children to experience the warmth and fun each child deserves, with literacy as a key program component.**
- **Teen room - Offers a fellowship and study center for students in middle and high school.**
- **Commercial kitchen - Serves nearly 43,000 nutritious meals each year to women and children in need.**
- **Clinic/health room - Provides assessment of basic health care needs that must be treated within the Charis House program.**

"Brotherhood Mutual made it possible for Charis House to get approved for the AHP grant. If it weren't for our partnership, a major portion of our funding would have fallen through and other foundations would not have taken us seriously when considering grant proposals."

Toni Lovell - Program Director & Corporate Grant Developer, Charis House
Ft. Wayne, IN

2010 Affordable Housing Program Awards

INDIANA

BLOOMINGTON

Crestmont One - \$500,000

Old National Bank

Sponsor: Bloomington Housing Authority

194 rental units

Interior renovations on 30 one-bedroom units will include substantial upgrades and improvements to kitchens and bathrooms.

CARMEL

Love Foolishly - \$500,000

Star Financial Bank

Sponsor: The O'Connor House

9 rental units

This shelter will provide temporary housing for single women in crisis pregnancies. Employment training, homeownership counseling, and onsite daycare will be available.

CHARLESTOWN

Hawthorn Glen Supported Living Phase II - \$500,000

Your Community Bank

Sponsor: Rauch, Inc.

11 rental units

In the second phase of this project, three-bedroom units will be constructed for individuals with disabilities. Each home will be wheelchair accessible, and tenants will receive job preparation and financial literacy training, along with counseling.

COLUMBIA CITY

HFH Whitley W. Ellsworth St. 2010 - \$56,000

Star Financial Bank

Sponsor: Habitat for Humanity of Whitley Co.

4 homeownership units

These three- to five-bedroom homes are phase 2 of a larger project. Each home will have off-street parking, sidewalks, and landscaped yard.

ELKHART

Mosaic Housing of Elkhart - \$400,000

1st Source Bank

Sponsor: Mosaic

8 rental units

This group home for individuals with intellectual disabilities was designed by architecture students at Notre Dame University and features a solar powered heating system.

EVANSVILLE

Lucas Place II - \$500,000

Integra Bank NA

Sponsor: ECHO Housing Corp.

27 rental units

A new building containing one-bedroom apartments will house homeless and disabled veterans with histories of physical and mental health disabilities, chronic illness and chemical dependency.

FT. WAYNE

Hopewell Pointe - \$400,000

Tower Bank & Trust Co.

Sponsor: Community Action of Northeast Indiana, Inc.

35 lease/purchase units

Families will rent these three- and four-bedroom homes while participating in a lease-to-purchase program that provides training and resources needed to become successful homeowners.

Southside Villas - \$350,000

Star Financial Bank

Sponsor: Housing Opportunities Program

16 rental units

These units will provide affordable housing for low-income senior citizens and will feature low-step showers, washers and dryers and individual balconies or porches.

INDIANAPOLIS

Pathway VI-Affordable Permanent Housing Project - \$500,000

Old National Bank

Sponsor: Pathway to Recovery

20 rental units

A vacant apartment building will be rehabilitated into one- and two-bedroom units for homeless individuals and families exiting transitional recovery/living programs.

Willard Park - \$374,300

Old National Bank

Sponsor: Riley Area Development Corp.

40 rental units

In-fill new construction and significant rehabilitation of existing units will offer housing and supportive services to residents, who include youth aging out of foster care.

LAWRENCE

Lawrence Village Senior Residence - \$500,000

Merchants Bank of Indiana

Sponsor: Miller-Valentine Apartments III, LLC

45 rental units

Located in historic Ft. Benjamin Harrison, the one- and two-bedroom units will offer affordable rental housing for seniors aged 55 and over.

MUNCIE

Sustainable Home...Affordable Price - \$50,000

Mutual Bank

Sponsor: Greater Muncie Habitat for Humanity

5 homeownership units

Three- and four-bedroom homes will be constructed on scattered sites. Each will have an external storage area and a porch or patio.

NOBLESVILLE

Pebble Brook Gardens - \$500,000

Star Financial Bank

Sponsor: Hamilton County Area Neighborhood Development

10 rental units

Two-bedroom patio homes will be constructed for those aged 55 and older. All units will have low-step showers and front and back patios.

PAOLI

College Hill Apartments - \$440,000

Old National Bank

Sponsor: Hoosier Uplands Economic Development Corp.

24 rental units

The former Paoli High School is being renovated into one-, two- and three-bedroom apartments. The project will follow a green development plan and include a community room, exercise room, laundry facilities, and a playground.

SOUTH BEND

South Bend/Mishawaka Scattered Sites - \$82,760

1st Source Bank

Sponsor: Habitat for Humanity of St. Joseph Co.

8 homeownership units

Homeowners of these new three-, four-, and five-bedroom homes will also receive financial training and counseling.

MICHIGAN

ANN ARBOR

Near North Apartments - \$260,415

Chelsea State Bank

Sponsor: Avalon Nonprofit Housing Corp.

39 rental units

These one-bedroom apartments will mix supportive housing with entry-level workforce housing. Eight units are reserved for individuals with mental conditions or physical disabilities or for those who have been victims of domestic violence.

701 Miller - \$230,000

Bank of Ann Arbor

Sponsor: Avalon Nonprofit Housing Corp.

23 rental units

The units will be rehabilitated for existing tenants with five units reserved for formerly homeless households.

DETROIT

Morningside Commons Phase IV - \$111,530

DFCU Financial

Sponsor: Habitat for Humanity Metro Detroit, Inc.

5 homeownership units

Five 4-bedroom homes each with a full basement and one-car garage will be constructed.

GAYLORD

Alpine Haus - \$500,000

Citizens Bank

Sponsor: Hollander Development Co.

50 rental units

New one-bedroom units will provide housing for very low-income senior citizens. Features include alarm systems, low-step showers, and individual porches or balconies.

GRAND RAPIDS

Faith House - \$500,000

Byron Bank

Sponsor: Covenant Ministries of Benevolence

6 rental units

Residents with developmental disabilities and their caregivers will live in a group home atmosphere with each resident having a separate bedroom but sharing space that includes a kitchen, dining area, and living room.

Mel Trotter Women's Transitional Housing - \$500,000

Mercantile Bank of Michigan

Sponsor: Mel Trotter Ministries

92 rental units

New living suites and renovated existing spaces will provide housing and supportive services for homeless women and their children.

Olivia's Gift - \$150,000

Macatawa Bank

Sponsor: Olivia's Gift, Inc.

6 rental units

Young people with severe physical and mental impairments will live in a group-home atmosphere. The private suites, each with a bathroom and kitchenette, will connect to an outdoor courtyard, and common areas will be used for therapy and activities.

Scattered Site Rentals - \$192,900

Chemical Bank

Sponsor: ICCF Non-Profit Housing Corp.

10 rental units

Improvements to these units include updated kitchens, energy-efficient appliances, new bathroom fixtures, replacement windows, and roofs.

KALAMAZOO

The ARK Cottages - \$365,000

First National Bank of Michigan

Sponsor: Catholic Family Services

9 rental units

The current ARK shelter will be replaced with a new shelter for youth aged 10-17, and cottages are being constructed for older homeless youth aged 16-21.

Rickman House Redevelopment - \$500,000

First National Bank of Michigan

Sponsor: Housing Resources, Inc.

49 rental units

A former hotel will undergo extensive rehabilitation to convert existing units into efficiency apartments for residents with special needs.

LANSING

Caleb's Village - \$500,000

Mason State Bank

Sponsor: Mount Hope Church

65 rental units

Features of this senior community include an exercise room and individual balconies and porches, as well as a walkable campus with a connection to a medical center.

MARQUETTE

Strong Communities Start at Home - \$60,000

mBank

Sponsor: Habitat for Humanity of Marquette Co.

4 homeownership units

Homes will be constructed with Habitat partner families working alongside volunteers.

MUSKEGON HEIGHTS

Lazarus Place - \$310,310

Community Shores Bank

Sponsor: West Michigan Therapy, Inc.

4 rental units

Permanent supportive housing for chronically homeless, individuals will receive assistance to enable them to transition into independent living.

SAGINAW

Wanigas Credit Union ReHabitations - \$384,000

Wanigas Credit Union

Sponsor: Habitat for Humanity of Saginaw

12 homeownership units

Foreclosed homes will be rehabilitated to provide safe, decent affordable homes for low-income families.

TROY

Macomb HOME Scattered Site Rental - \$155,095

Citizens Bank

Sponsor: Community Housing Network, Inc.

14 rental units

Two- and three-bedroom homes will provide permanent supportive rental housing for people with disabilities.

WESTLAND

Hix Road Duplex - \$100,000

Flagstar Bank, FSB

Sponsor: Liberty Hill Housing Corp.

2 rental units

Very low-income families will have permanent supportive housing, which includes access to case management, transportation, vocational training and education, and job placement assistance. Units are fully-accessible and ADA-compliant.

Community Investment Program

The Community Investment Program (CIP) offers below market-rate loans that enable financial institutions to extend long-term financing for housing and economic development to benefit low- and moderate-income families and neighborhoods.

In 2010, members frequently used CIP funds to support projects that created or retained jobs. For example, Consumers Credit Union with corporate headquarters in Kalamazoo, MI, built a new branch in nearby Portage that not only helps the organization grow its membership base but also creates jobs that Michigan needs to rebuild its economy. Overall, CIP helped to create or retain 226 jobs throughout Indiana and Michigan.



“FHLBI is our provider for borrowing needs to manage our interest rate risk and liquidity. Through the CIP, we were able to borrow funds at a discounted rate. Our latest project on Milham Dr. in Portage has been a huge success. Since opening we have averaged over 70 new members per month and have increased staff to accommodate the growth.”

Scott Sylvester – Chief Operations Officer, Consumers Credit Union Portage, MI



Consumers Credit Union - lobby

Forest Ridge INDIANAPOLIS, IN

Partnering with the FHLBI, Merchants Bank of Indiana accessed a low-cost \$3.1 million CIP advance to finance the 220-unit Forest Ridge Apartments located on the northwest side of Indianapolis. The development also secured Low-Income Housing Tax Credits. Forest Ridge features one-, two-, three- and four-bedroom apartments with rents affordable to households earning less than 60% of the area median income.

“Merchants Bank and its subsidiary PR Mortgage have had a long-standing relationship with Pedcor, the company that developed Forest Ridge. So when Pedcor came to us to help with the financing of the development, I knew through previous experience with the FHLBI’s CIP that it could be used to help with the bridge loan financing.”

Mike Petrie – President, PR Mortgage & Investment Corp. Indianapolis, IN



Forest Ridge playground

In 2010, CIP funds were committed to create and retain jobs, build affordable housing and increase economic development in Michigan and Indiana.

CIP Project Type	Funds/Units
Proposed Economic Dev. Financing	\$64.4 million
Proposed Jobs Created/Retained	226
Proposed Housing Units	435

Homeownership Initiatives

In 2010, FHLBI offered four homeownership programs through member financial institutions to assist in the creation and preservation of affordable homeownership in Indiana and Michigan. For the first time since the inception of the Homeownership Initiatives Programs, requests for NIP funds for home rehabilitation exceeded requests for HOP funds for home purchase. This is a testimony to the growing need for home repair and rehabilitation funding in our district.

HOP – first-time homebuyer down payment/closing cost assistance

NIP – existing homeowner rehabilitation assistance

NSA – down payment/closing cost assistance for NSP-assisted homes

RAP – refinance assistance (available through July 31, 2010)

Note: A disaster relief program could also be activated in response to state and federally declared disasters for needs not able to be addressed with other set-aside programs.

Henry & Kattie Harris
MUNCIE, IN

In these tough economic times, many homeowners face difficulties handling major home repairs. This was especially true for fixed-income seniors, Henry and Kattie Harris. After striving to pay off their home mortgage, the Harrises had been feeling fairly secure in their retirement years. However, when they realized the roof on their home needed to be replaced, they didn't know how they could afford to do it. They contacted PathStone Corp. to inquire about the Neighborhood Impact Program (NIP).

PathStone partners with the City of Muncie Community Development and FHLBI member MutualBank to help facilitate NIP funding applications for income-eligible seniors and people with disabilities. PathStone staff assisted the couple with their application and had just received



approval from FHLBI for assistance when Mr. Harris suffered a sudden debilitating spinal condition. With Mr. Harris now having limited mobility, Mutual Bank and PathStone arranged to have both the required homeowners' education and loan closing at the Harris' home. When Mr. Harris's medical condition was subsequently diagnosed to be permanent, PathStone staff contacted the local affiliate of Rebuilding Together to seek additional assistance to build a wheelchair ramp at their home.

Maple Cole
MUNCIE, IN

Maple Cole, a single mother with chronic health problems, needed repairs to her home. The furnace was barely working, and the older home had numerous plumbing and electrical problems, not to mention a bathroom that was too small to accommodate Maple's wheelchair. PathStone Corp. worked with Old National Bank to obtain NIP dollars to help with some of the repairs and upgrades. Since the cost of all the needed repairs exceeded the maximum amount allowed with NIP funding, Old National Bank, along with the assistance from other organizations and individuals, secured additional funding so that the Cole family could have a quality home.



Cates Family
PORT HURON, MI

In partnership with FHLBI, E&A Credit Union secured NSA funds for the Cates family. The family moved into their new home in March of 2010. They knew the stability that owning a home provided for their children. Corey and Tracy have two biological children, already in junior high and high school, when an aunt caring for her grandchildren passed away. Immediately, Corey and Tracy stepped forward to care for their 3 nieces and nephew, at the time all under age 10. Following that, Corey began experiencing medical problems and was forced to take a medical leave from work for nearly a year. The sudden increase in family size, medical bills and lack of income forced the family into foreclosure and into a two-bedroom rental house. Tracy vowed to own a home again. Corey overcame his medical setbacks, went back to work and applied to Habitat for Humanity to become a homeowner again. In November 2009, just before work began on their rehab home, Corey and Tracy formally adopted the 3 younger children. The oldest, Corey Jr., is just finishing his first year of college and Carl, 8, is excelling in his new school.

Tuthill Family
MARINE CITY, MI

Gemille Tuthill applied for homeownership because she knew the benefit the stability would create for her daughter Brittany. After going through a divorce, Gemille was forced to become a renter and return to work full time. She was committed to purchasing a home when a friend referred her to Habitat for Humanity. At her house dedication, Gemille shared her thanks, saying she

didn't realize people still helped their neighbors and partnering with Habitat gave her a desire to continue paying it forward.

E&A Credit Union in Port Huron, MI, obtained dollars through the FHLBI's NSA program to help the Tuthills purchase their new home.



"We began offering NIP and HOP grants to our customers in 2007, and what a wonderful program this has been for our small community. Elderly people and young families – the ones that are struggling the most financially – are benefiting from these funds. Neighbors are telling neighbors and contractors are sending people to me to see if they qualify for more improvements than they thought they could afford. My little community is a nicer, warmer place to live because of the improvements we're making, one house at a time."

MaryJo Chaperon -
Assistant Vice President,
First National Bank & Trust Co.
Iron Mountain, MI

Community Spirit Award

The FHLBI and its Affordable Housing Advisory Council present the annual *Community Spirit Award* to honor an individual from one of its member financial institutions in Michigan and one in Indiana who has shown an outstanding dedication to affordable housing and community economic development.

“Sonali Allen connects and builds relationships with our low- to moderate-income neighborhoods and has a true commitment to advance the lives of those less fortunate.”

Brenda Moore - Vice President
Grand Rapids Urban League
Grand Rapids, MI

“Mark Gould has lots of enthusiasm and has worked hard over the years to leverage dollars for community reinvestment projects.”

Janine Betsey - President, Board of Directors
Indianapolis Coalition for Neighborhood Development
Indianapolis, IN



Sonali Allen

VICE PRESIDENT, COMMUNITY DEVELOPMENT OFFICER
MERCANTILE BANK OF MICHIGAN
GRAND RAPIDS, MICHIGAN

Sonali has demonstrated outstanding dedication to community economic development for over 10 years. At Mercantile Bank of Michigan, Sonali has created and developed an outstanding community development program and has formed numerous partnerships with nonprofit organizations. With her assistance, Mercantile Bank has increased its support of affordable housing by investing in tax credits through the Great Lakes Capital Fund and by increasing involvement in the FHLBI grants for affordable housing.

Sonali is a community volunteer and sits on the boards for organizations such as Neighborhood Ventures, Habitat for Humanity of Kent County, LISC, Grand Rapids Opportunities for Women and the YWCA.



Mark Gould

ASSISTANT VICE PRESIDENT,
COMMUNITY DEVELOPMENT OFFICER
OLD NATIONAL BANK
INDIANAPOLIS, INDIANA

Mark was nominated by the Indianapolis Coalition for Neighborhood Development, a membership-based organization with 18 members from Indianapolis-area community development corporations (CDCs). Mark was selected for his and Old National Bank's work administering FHLBI programs to various CDCs. Throughout the years, Mark has provided support, training and technical assistance to help organizations develop programs. Along with being an advocate for the FHLBI and its programs, Mark has been a leader in creating partnerships for many low- to moderate- income development initiatives. Nominees particularly mentioned his enthusiasm and hard work for assisting organizations to leverage dollars for community reinvestment projects.

2010 Member Outreach Efforts

Membership changes in the district triggered a review of member usage of Community Investment Programs in 2010. While FHLBI's community investment resources are fully utilized each year, our goal is to increase and broaden the usage of these valuable programs to more members throughout Indiana and Michigan.

To increase program participation in 2010 and to test the interest and effectiveness of regional outreach meetings, four events were scheduled in Michigan in March 2010 as a joint effort of FHLBI's Marketing and Community Investment Departments. A total of 41 members and 86 nonprofit and community organizations attended educational and networking sessions in Traverse City, Grand Rapids, East Lansing, and Troy. Positive feedback from these events resulted in additional participation in community investment programs. Based on this success, regional outreach sessions are planned for early 2011 in Indiana and Michigan.

Community Investment's already considerable technical assistance and outreach also helps to generate participation. A series of AHP and Homeownership Set-aside Webinars are offered when funding becomes available. Helplines are available for application assistance during the application round. Two intensive "Back to Basics" workshops were held in Indianapolis and Lansing in July 2010, with over 60 participants in each. Community Investment staff participate in panels and make presentations at housing and community development conferences in Indiana and Michigan. In addition, a member focus group was conducted to gather input on changes being proposed for the 2011 homeownership initiatives, a technique to be continued in 2011 based on the positive feedback and results.

2010 Community Investment Staff



FRONT ROW LEFT TO RIGHT

MaryBeth Wott - VP, Community Investment Officer
Kathy Crumpton - Information & Operations Coordinator

MIDDLE ROW LEFT TO RIGHT

Robert Graves - Database Administrator
RoseMarie Roberts - AHP Compliance Analyst
Trish Lewis - AVP, AHP Compliance Manager
Stephany Tays - Administrative Assistant

BACK ROW LEFT TO RIGHT

Greg Teare - SVP, Chief Banking Officer
Ronna Edwards - AHP Compliance Analyst
Shannon Fountain - Community Lending Manager
Marjorie Green - AVP, Community Investment Development Manager
Rebecca Henderson Hyink - AHP Compliance Analyst



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