

Federal Home Loan Bank of Chicago  
Community Investment Advisory Council  
2010 Annual Report

**Perspectives: Past. Present. Future.**



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## Our Mission

The mission of the FHLB Chicago is to partner with our member shareholders in Illinois and Wisconsin to provide them competitively priced funding, a reasonable return on their investment in the Bank, and support for community investment activities.

## Perspective: Past

### Celebrating 20 Years of the Affordable Housing Program

By **Kathy Marinangel**

Chair, 2010 Affordable Housing Committee of the FHLBC Board of Directors



The AHP was honored as the “Housing Person of the Year” in 2010 by the National Housing Conference. From left to right: Nancy Schachman, FHLB Chicago; Directors Ed Brady, Tom Herlache, and David Kuhl; Eldridge Edgecombe, FHLB Chicago; Bob Campbell, Chairman of the Community Investment Advisory Council; Kathy Marinangel, Chair of the FHLB Chicago’s Affordable Housing Committee; and FHLB Chicago’s Matt Feldman, Sue Wohlhart, and David Feldhaus.

“For the past 20 years, the FHLB Chicago, its members, and their community partners have helped thousands of families across Illinois and Wisconsin find a place to call home. That’s a tremendous accomplishment, and one that I’m proud of.”

— KATHY MARINANGEL

The Affordable Housing Program (AHP) of the Federal Home Loan Banks was honored as the “Housing Person of the Year” by the National Housing Conference in 2010. More than 800 industry leaders from across the country gathered to celebrate this prestigious honor, which fell during the 20th anniversary of the program.

Thanks to the ongoing support of the members of the Federal Home Loan Banks (FHLBanks), the AHP is the nation’s largest source of private grant funds for affordable housing. Across the FHLBank System, the program has provided almost \$4.3 billion for the creation of more than 742,000 affordable rental and owner-occupied homes for low- to moderate-income families in every state.

Congress created the AHP in 1989 as part of the FIRREA legislation, requiring the FHLBanks to allocate a percentage of their income, most recently 10%, to fund the program. The FHLBanks began awarding funds in 1990. Over the past two decades, the FHLB Chicago has awarded its members and their partners \$311 million in AHP grants and down payment assistance, helping nearly 74,000 families find their way to homes in Illinois and Wisconsin.

### Two Decades of Success

Over the past 20 years, the AHP along with other Community Investment products have helped members provide support to their customers and build their communities:

- Through the Community Investment Cash Advance Program, the FHLB Chicago lends to its members at a preferential rate to finance housing or economic development activities that benefit lower income households, lower income areas, and small businesses.
- Members can also access standby letters of credit at attractive prices to credit enhance bonds and provide payment and completion guarantees for affordable housing and economic development projects.
- The Downpayment Plus® (DPP®) Program allows the Bank’s members to help homebuyers purchase a home with a forgivable grant that may be used for down payment and closing costs.

Together, these programs reinforce the foundation of communities in our district, supporting housing, businesses, and jobs. We are proud of the impact that the FHLB Chicago’s affordable housing and economic development mission has made in our communities and look forward to another 20 successful years—or more!

## Perspective: Present

### A Place to Call Home

By **Bob Campbell**

Chair, 2010 Community Investment Advisory Council



**As the U.S. housing market** struggles to recover from the Great Recession, the FHLB Chicago continues to support its members' affordable housing initiatives across Illinois and Wisconsin. In 2010, the Federal Home Loan Bank System observed 20 years of the AHP, one of several programs our members can utilize to invest in their communities. The AHP subsidies frequently serve as gap financing for rental projects and, as a result, allow the development or rehabilitation of affordable housing to move forward.

The Bank also continued to lend assistance to economic development projects through advances and letters of credit and provide the popular DPP Program, through which members can help eligible homebuyers in their communities with down payment or closing cost assistance. In 2010, FHLB Chicago members reserved most of the DPP

“Both sectors—rental and homeownership—are essential to the overall well-being of the housing market. ”

— BOB CAMPBELL

allocation within one month of the program's opening. Looking ahead, the Bank has increased both its DPP and AHP allocations for 2011; see page 24 for details.

#### The American Dream Debate

The fifteen members of the FHLB Chicago's Community Investment Advisory Council advise the Bank of current trends in affordable housing and community lending across our swath of the Midwest. Just as lawmakers and others have been debating whether the American dream of homeownership is realistic for everyone, so, too, has the Advisory Council. Homeownership can have a stabilizing impact on communities as owners generally remain in their homes longer, maintain their properties, and are likely to be involved in their communities. However, homeownership may not be the right choice for everyone. An adequate supply of affordable rental housing is vitally important to households displaced as a result of the foreclosure crisis and households that do not have the capacity for homeownership or otherwise choose not to own.

While it is unclear how current housing policy debates will change the affordable housing landscape, an adequate supply of affordable homeownership and rental opportunities is essential to the health of our communities. The availability of diverse housing choices has a significant impact on the community at large by ensuring that local businesses have a customer base, as well as an adequate workforce to draw from.

The benefit of the AHP and Community Investment Lending Programs is the flexibility they provide in developing and rehabbing a broad range of projects. The Community Investment Group and the Advisory Council remain committed to ensuring the availability of affordable housing, no matter the economic environment.

## Perspective: Future

### GSE Reform and the American Dream

By **Matt Feldman**

President and CEO, Federal Home Loan Bank of Chicago



**In the aftermath of the** greatest financial crisis since the Great Depression, which began in the housing market, the Administration and Congress are turning to housing finance reform. Grounded in addressing the abuses and excesses that led to the crisis, the scope of the debate will touch on all aspects of housing, and the impact on affordable housing is likely to be significant and far reaching.

The essential questions around affordable housing go not just to the ability to access financing for traditional affordable housing, such as down payment assistance, development grants or other types of support, but also to the very nature of what affordable housing will be in the future and what should be the new American Dream for home ownership and neighborhood stability. This may lead to discussions about “lease to own” and other forms of hybrid ownership that are more economically accessible, but still provide the buyer with equity and, therefore, a sense of ownership.

“We had an extraordinary year in 2010, earning \$366 million. As a result, we have more than \$35 million available for grants to our members and their community partners in 2011.”

— MATT FELDMAN

### Government and Non-Government Support

Vehicles for government and non-government support will also likely change. While it is reasonably certain that the Federal Home Loan Bank System will be maintained, there is a clear direction to reducing the size of the investment portfolios held by the FHLBanks, a core source of income that funds the affordable housing programs at the FHLBanks. If this trend continues, it will result in reduced funding available to these programs in the future.

Fannie Mae and Freddie Mac have long provided support for affordable housing, but this support will end as these institutions are resolved, and it is not clear what will be established in their place and whether these entities will have any mandate to support affordable housing. And, it is unlikely that private funding will replace even a fraction of what has been available.

This debate will present significant challenges to affordable housing and community development. But a different, but equally important factor in the American Dream is the ability of people living in a free and

democratic society to make their voices heard by those in power and, thereby, to alter the debate and the laws that emerge from that debate. It is in your best interests, as members of this Bank, as sponsors of affordable housing and community development, and as leading members of your communities, to follow the debate and to contact members of Congress and those serving in the Administration to make sure they understand all the issues and arrive at an outcome that serves our communities well.

We are pleased that 2010 income has provided us with \$35 million in funding in 2011 for our affordable housing and community investment programs. We look forward to working with you all to support the important work you all do in our communities in Illinois and Wisconsin.

## Competitive Affordable Housing Program

### About the Program

**Every year, FHLB Chicago members partner with community organizations to apply for grants through the Affordable Housing Program. The program provides critical gap financing for the purchase, construction, and/or rehabilitation of owner-occupied or rental housing units for low- and moderate-income households.**

### Member Spotlight: Johnson Bank

Johnson Bank has provided AHP grants to a wide cross-section of constituents that is representative of the broad spectrum of interests that the AHP serves. Their activities have resulted in housing for diverse groups and include a supportive living facility and housing for families, seniors, disabled, factory workers, and many first-time homebuyers.

Johnson Bank has partnered with Impact Seven, Inc. on the acquisition, development, or rehabilitation of numerous rental projects. Other partners have included housing authorities, for-profit developers, and non-profit groups. They have also participated in homeownership consortiums.

### Closing the Gap

“With all [development] projects, there are gaps and unforeseen costs,” said Matt Bay, Director of Outreach for Impact Seven, a community development corporation based in Almena, Wisconsin. “The question is, ‘How do we keep the housing units affordable and, at the same time, make them places where people want to be?’”

One way of achieving that goal is to partner with a member of the FHLB Chicago to apply for an AHP grant, which does not require the recipient to pay principal or interest. In the case of a rental project, the developer can pass on these savings in the form of lower rents.

Impact Seven and Johnson Bank have successfully partnered on AHP applications for many years to help residents of small towns in north-central Wisconsin stay in those towns by creating affordable housing.

Matt said the [AHP gap financing] funds are “so important” because many sources of funding have to be utilized to complete a project. For example, Impact Seven received funding from several sources to complete the Lincoln School Apartments project, including Wisconsin Housing and Economic Development Authority Exchange Funds, HOME funds, and a bank loan that were layered with AHP funds and other grants to fill the financing gap.

AHP funds are invaluable to Impact Seven because they provide critical funds for the acquisition and rehabilitation of affordable housing—allowing us to provide safe, updated, and attractive units for our residents.

— MATT BAY, IMPACT SEVEN



An AHP award to Impact Seven and Johnson Bank helped renovate Lincoln High School, which was built in 1916, into 24 affordable housing units in Park Falls, Wisconsin.

## The Downpayment Plus® Program

### About the Program

**The Downpayment Plus Program is a grant program providing down payment and closing cost assistance for low- and moderate-income homebuyers. FHLB Chicago members enrolled in this program may access subsidies on behalf of eligible homebuyers to whom they are providing first mortgages. Funds are available on a first-come, first-served basis until the annual allocation is exhausted.**

### A Welcome Surprise

While saving for the down payment on her first home, Jennifer Serratos' car broke down. With this added expense, she and her husband decided to put their plans to move their family out of a rental apartment in Normal, Illinois on hold, until her loan officer at Heartland Bank and Trust in Bloomington told her about the DPP Program from the FHLB Chicago. "This is pretty awesome!" Jennifer remembers thinking about the news.

Jennifer's financial situation is similar to other first-time homebuyers at Heartland Bank and Trust. "They might very well have a good income and good credit but haven't been able to save for the down payment," said Aaron Johnson, Senior Vice President. "The DPP allows them to do that with assistance."

Jennifer, her husband, and their three daughters moved into a four-bedroom home last August. "It's more than I thought I was going to get for a first home," she said. "We really like it."

"People now have to bring a larger down payment to the table. DPP helps us get people into the homes they've always wanted or dreamed about."

— AARON JOHNSON, HEARTLAND BANK AND TRUST



"DPP was a blessing. My husband and I would recommend it to anyone," said Jennifer Serratos, pictured here with her three daughters outside their first home in Normal, Illinois.

## Community Investment Cash Advance Program

### About the Program

Members may borrow at discounted rates through the Community Investment Cash Advance (CICA) program to finance eligible housing or community development projects. These advances, available throughout the year, are used to finance loans to individual households, public entities, small businesses, farms, and community facilities such as healthcare and educational centers.

### A Win-Win

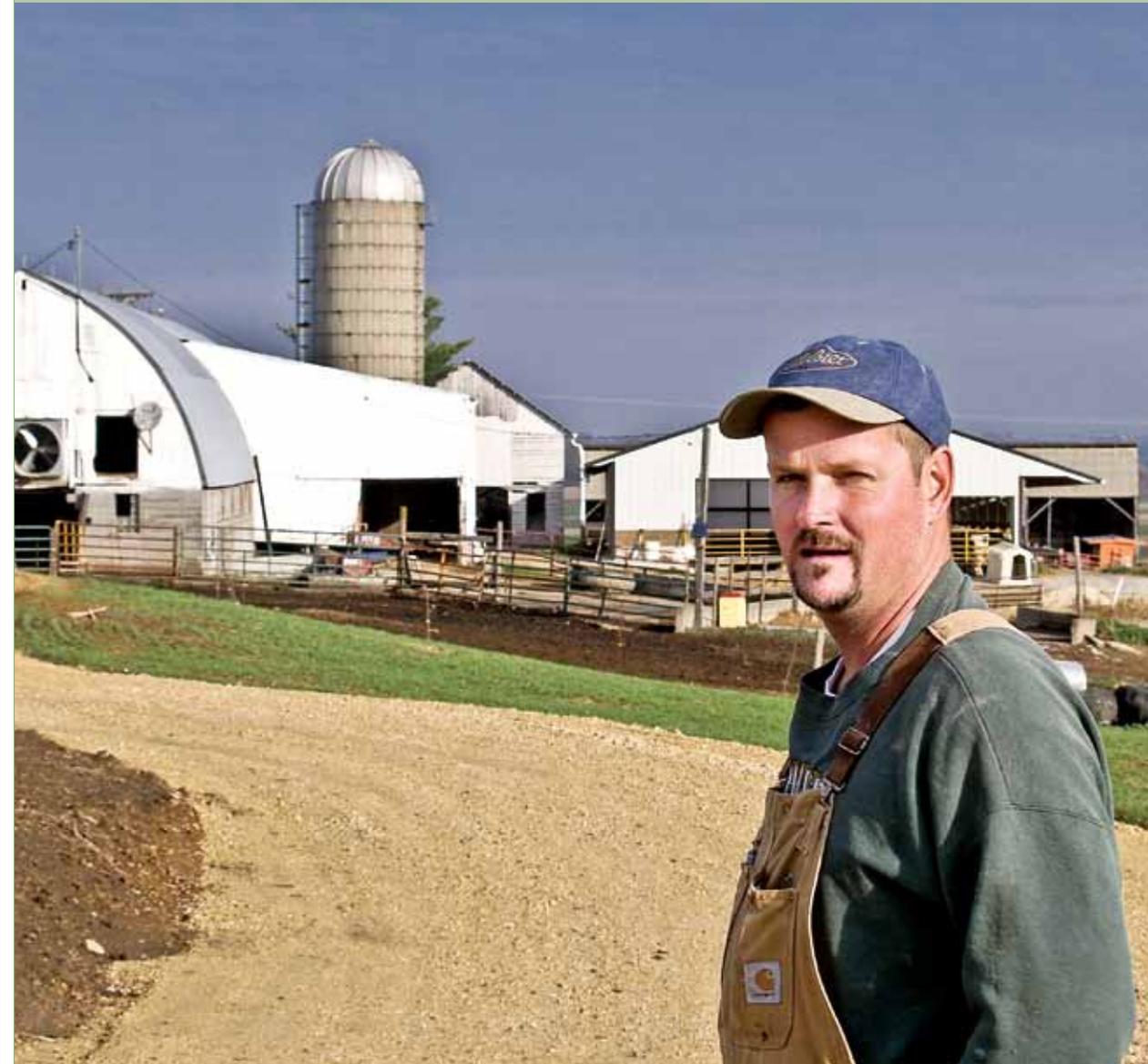
Tim White is a straight shooter. The Benton State Bank loan officer tells his agricultural and commercial clients in rural Wisconsin that the CICA program has enabled the bank to offer competitive rates and gain the necessary spread the bank needs to facilitate the loans. Since the entire Lafayette County where he does business qualifies for the FHLB Chicago's reduced CICA rate, he is able to give these clients a "tremendous rate," he said.

This rate allows the small, 117-year-old Benton State Bank to be more competitive. As a cooperative, the FHLB Chicago offers the same rate to banks with \$50 million in assets as they do to banks with \$500 million in assets, Tim said. "This rate puts us in the ballpark with the big banks in our area," he said.

In addition, the program allows Benton State Bank to offer longer-term, fixed-rate loans rather than a standard 3-year loan his bank can offer on its own. As a result, "It has been vital to helping grow our loan portfolio," Tim said. And since the financially strapped county is trying to attract small commercial businesses, Tim has his eye on the future. "We can use CICA advances for these new businesses."

"The beauty of the program is that it has benefited our bank and offers benefits to our customers. It's a win-win."

— TIM WHITE, BENTON STATE BANK



When Bumble B Dairy Farm in Cuba City, Wisconsin, wanted to expand several years ago, Benton State Bank loan officer Tim White offered owners Greg and Jill Busch a fixed-rate, long-term loan at a competitive price made available for community economic development projects through the FHLB Chicago.

## Standby Letters of Credit

### About the Product

Members can benefit from discounted pricing for letters of credit (LOCs) that credit enhance bond financings or provide performance guarantees for housing and economic development projects eligible under the CICA program. Typical transactions include credit-enhanced housing bonds, both taxable and tax-exempt; taxable economic development bonds; and performance bonds such as those required of developers to ensure the completion of a housing project.

### A Tool for Small Banks

The LOC landscape has changed dramatically over the past two years: fewer institutions are issuing them, and some agencies are requiring them for the first time. That's the situation Mark Donovan at Illinois National Bank in Springfield, Illinois, faced when the Illinois Housing Development Authority (IHDA) required a LOC from his bank, which was financing the renovation of an affordable apartment building in Shelbyville, Illinois.

Mark, Vice President in Commercial Lending, said he needed to "find a reasonable [LOC] solution within one week" or he would have had to turn his customer away. "It's competitive enough as it is, you don't want to open the door for them to leave," he said. "If we weren't a member bank, I'm not sure what we would have done." The FHLB Chicago has now issued four performance guaranty letters of credit to IHDA on behalf of Illinois National Bank.

Mark chose the FHLB Chicago for its Aaa/AA+ rating and competitive price. The LOC from the FHLB Chicago "allows us to retain and service our customers," he said. "It's another tool for small banks."

## 2010 Community Investment Performance Summary

Programs	2010		Since 1989	
	Beneficiaries	Dollars	Beneficiaries	Dollars
<b>Community Lending</b>				
Community Investment Program (CIP) — Housing	2,457 (u)	\$ 133,000,170	101,796 (u)	\$ 5,953,022,412
Community Economic Development (CEDA)	47 (t)	136,639,977	762 (t)	1,686,886,686
Mixed-Use Projects	0 (t)	—	41 (t)	111,879,376
<b>Sub-total Community Lending</b>	<b>—</b>	<b>269,640,147</b>	<b>—</b>	<b>7,751,788,474</b>
<b>Grant Programs</b>				
Downpayment Plus (DPP) Program	541 (u)	2,052,898	16,652 (u)	66,303,035
Downpayment Plus Advantage® (DPP Advantage®)	72 (u)	288,000	470 (u)	2,157,000
Competitive Affordable Housing Program (AHP)	1,090 (u)	4,620,653	57,238 (u)	242,926,875
<b>Sub-total Grant Programs</b>	<b>1,703</b>	<b>6,961,551</b>	<b>74,360</b>	<b>311,386,910</b>
<b>Mortgage Purchase Programs</b>				
Native American Mortgage Program (HUD Section 184)	177 (u)	20,127,013	711 (u)	74,373,233
<b>Recoverable Grant Programs</b>				
MPF Endowment	0 (t)	—	58 (t)	3,041,098
<b>Total Program Financing</b>		<b>\$ 296,728,711</b>		<b>\$ 8,140,589,715</b>

(u) Housing Units, (t) Transactions

# 2010 Competitive AHP Awards

## Illinois

### Chicago

#### Hinsdale Bank & Trust Company

##### All Saints Residence

- Subsidy of \$273,000 to All Saints Senior Housing, NFP
- Construction of 42 rental units for seniors

### Chicago

#### North Side Federal Savings & Loan Association of Chicago

##### Glenwood Apartments

- Subsidy of \$52,000 to United Methodist Homes & Services
- Rehabilitation of 13 rental units for seniors

### Decatur

#### Busey Bank

##### City of Decatur Down Payment Assistance Program

- Subsidy of \$38,000 to the City of Decatur
- Down payment and closing cost assistance for 10 homebuyers

### Lake in the Hills

#### One Mortgage Partners Corp., an affiliate of JPMorgan Chase Bank, N.A.

##### The Residence of Lake in the Hills

- Subsidy of \$300,000 to Affordable Housing Continuum
- Construction of 92 rental units for seniors

### Peoria, Tazewell, and Woodford Counties

#### Busey Bank

##### Home Buying Made Easy

- Subsidy of \$55,000 to METEC
- Down payment and closing cost assistance for 15 homebuyers

### Riverdale

#### Harris National Association

##### Riverdale Senior Apartments

- Subsidy of \$300,000 to Turnstone Development Corporation
- Acquisition and rehabilitation of a vacant building into 52 rental units for seniors

### Sangamon, Logan, Menard, Macoupin, Montgomery and Christian Counties

#### Security Bank; Bank of Springfield; Marine Bank; and Town & Country Bank

##### Illinois Assistive Technology Program

- Subsidy of \$84,000 to Illinois Assistive Technology Program
- Downpayment and closing cost assistance for 18 homebuyers with a disabled family member

## Wisconsin

### Beloit

#### The First National Bank and Trust Company

##### Beloit Apartments Redevelopment — Phase 2

- Subsidy of \$256,500 to the Community Development Authority of the City of Beloit
- Acquisition and redevelopment of 66 rental units

### Columbus

#### Johnson Bank

##### Avalon Commons

- Subsidy of \$92,000 to Impact Seven, Inc.
- Construction of 24 rental units

### La Crosse, Onalaska and Hillsboro

#### State Bank Financial

##### Coulee Community Land Trust 2010

- Subsidy of \$40,000 to Couleecap, Inc.
- Down payment and closing cost assistance for 5 homebuyers

(Awards continued on page 18.)

## Creating Permanently Affordable Homes

It's a paradox many communities face: Affordable housing organizations and community lenders help low- and moderate-income families purchase homes with down payment grants or other assistance. Over time, the home's value increases and the owner sells it for a profit. While this sounds like the best possible outcome for the seller, often times the home becomes unaffordable to other working families in the community.

In rural Wisconsin, Couleecap, Inc. is working on a solution to this dilemma with its Community Land Trust project. With a generous grant from the Neighborhood Stabilization Program and financing from FHLB Chicago member State Bank Financial, Couleecap purchased several homes for rehabilitation in La Crosse, Hillsboro, and Onalaska. When these homes are sold, the land beneath them will be placed in trust to ensure the homes are permanently affordable. In short, "We own the land. They own the improvements," explains Todd Mandel, Housing Director for Couleecap.

Preserving the affordability of homes through land trust agreements enabled Couleecap and State Bank Financial to score competitively when the pair applied for—and was awarded—a \$40,000 AHP grant in 2010. Five homes purchased and placed into the land trust will be rehabilitated and sold to first-time homebuyers. The AHP subsidy will be used to



Before



After

provide down payment and closing cost assistance to the homebuyers.

State Bank Financial didn't need to think twice about partnering with Couleecap. "We're a community bank, and that's what community banks do," says Wayne Oliver, Senior Vice President and Head of Community Banking at State Bank Financial.

"I encourage all [FHLB Chicago] members to look at grants for the betterment of the community," Oliver continued. "The community is all segments of the population." Affordable housing isn't just for low-income people or people down on their luck. "It covers a lot of people," he said.

Our goal is to create affordable housing opportunities throughout local communities "so people can choose where they want to live, and don't have to live simply where the prices and the market tells them they can," Mandel concluded.

## 2010 Competitive AHP Awards, continued

### La Crosse, Monroe, Vernon, and Crawford Counties

Citizens First Bank; Altra Federal Credit Union; AnchorBank, FSB; Associated Bank, National Association; Citizens State Bank; Coulee Bank; Farmers & Merchants Bank; Harris National Association; M&I Marshall & Ilsley Bank; Marine Credit Union; Peoples State Bank; River Bank; State Bank Financial; and Westby Co-op Credit Union

#### 2010 AHP Homebuyer

- Subsidy of \$119,000 to Couleecap, Inc.
- Down payment and closing cost assistance for 20 homebuyers

### La Crosse, Monroe, Vernon, and Crawford Counties

State Bank Financial; Coulee Bank; and Harris National Association

#### 2010 Rural Home Rehabilitation Program

- Subsidy of \$150,000 to Couleecap, Inc.
- Rehabilitation cost assistance for 25 homeowners

### Manitowoc, Sheboygan, Calumet, Kewaunee, and Door Counties

Bank First National

#### Lakeshore CAP Homebuyer Assistance Program

- Subsidy of \$137,500 to Lakeshore CAP, Inc.
- Down payment and closing cost assistance for 25 homebuyers

### Mauston

M&I Marshall & Ilsley Bank

#### Mauston Senior Village

- Subsidy of \$96,000 to CAP Services, Inc.
- Construction of 24 rental units for seniors

### Milwaukee

M&I Marshall & Ilsley Bank

#### ACTS Neighborhood Reclamation Project

- Subsidy of \$60,000 to ACTS Community Development Corporation
- Down payment and closing cost assistance for 15 homebuyers

### Milwaukee

North Shore Bank, FSB and M&I Marshall & Ilsley Bank

#### UCC First-Time Homebuyer Program

- Subsidy of \$180,000 to United Community Center
- Down payment and closing cost assistance for 45 homebuyers

### Milwaukee

Johnson Bank

#### Mitchell Street Market Lofts

- Subsidy of \$76,233 to Impact Seven, Inc.
- Construction of 24 rental units

### Milwaukee

Johnson Bank

#### National Avenue Lofts

- Subsidy of \$182,500 to Impact Seven, Inc.
- Construction of 73 rental units

### Milwaukee

North Shore Bank, FSB; Associated Bank, National Association; Bank Mutual; Great Midwest Bank S.S.B.; Harris National Association; M&I Marshall & Ilsley Bank; AnchorBank, FSB; PyraMax Bank, FSB; and The Equitable Bank, S.S.B.

#### Making Home Ownership a Reality

- Subsidy of \$96,000 to HBC Services, Inc.
- Down payment and closing cost assistance for 24 homebuyers

### Milwaukee

Johnson Bank; AnchorBank, FSB; Associated Bank, National Association; Guaranty Bank; Harris National Association; M&I Marshall & Ilsley Bank; One Mortgage Partners Corp., an affiliate of JPMorgan Chase Bank, N.A.; PyraMax Bank, FSB; The Equitable Bank, S.S.B.; and The PrivateBank, N.A.

#### Milwaukee Affordable Homeownership Collaboration

- Subsidy of \$90,000 to Select Milwaukee, Inc.
- Down payment and rehabilitation cost assistance for 20 first-time homebuyers

“The Bank’s Community Investment activities are building a legacy of success and hope in small and large communities alike. We thank all of our partners, past and present, for their continuing dedication to affordable housing and community development.”

— ELDRIDGE EDGEcombe, COMMUNITY INVESTMENT OFFICER

### Necedah

Bank of Mauston

#### Holly Heights Estates

- Subsidy of \$85,000 to Central Wisconsin Community Action Council, Inc.
- Construction of 8 rental units

### Oconto

The First National Bank – Fox Valley

#### Bayside Senior Apartments

- Subsidy of \$132,000 to Bayside Senior Apartments MM, LLC
- Construction of 24 rental units for seniors

### Oshkosh

West Pointe Bank

#### The Rivers

- Subsidy of \$240,000 to River Front Senior Apartments MM, LLC
- Construction of 60 rental units for seniors

### Saint Croix Falls

Johnson Bank

#### J&R Apartments

- Subsidy of \$26,920 to Impact Seven, Inc.
- Acquisition and rehabilitation of 12 rental units for seniors and disabled households

### Seymour

M&I Marshall & Ilsley Bank

#### Seymour Senior Village

- Subsidy of \$96,000 to CAP Services, Inc.
- Construction of 24 rental units for seniors

### Sheboygan and Manitowoc Counties

M&I Marshall & Ilsley Bank and Community Bank & Trust

#### Partners Home Owner Rehabilitation Program

- Subsidy of \$40,000 to Partners for Community Development, Inc.
- Rehabilitation cost assistance for 10 homeowners

### Sheboygan and Manitowoc Counties

M&I Marshall and Ilsley Bank and Community Bank & Trust

#### Partners Home Buyer Downpayment Assistance Program

- Subsidy of \$48,000 to Partners for Community Development, Inc.
- Down payment and closing cost assistance for 12 homebuyers

### Statewide

Bank Mutual

#### Movin’ Out, Inc. Owner Occupied Rehab Phase XIII

- Subsidy of \$99,000 to Movin’ Out, Inc.
- Rehabilitation cost assistance for 18 disabled homeowners

### Statewide

M&I Marshall & Ilsley Bank

#### Movin’ Out, Inc. Homebuyer Phase IXX

- Subsidy of \$300,000 to Movin’ Out, Inc.
- Down payment assistance for 60 disabled homebuyers

### Waupaca

M&I Marshall & Ilsley Bank

#### Waupaca Townhomes, LLC

- Subsidy of \$108,000 to CAP Services, Inc.
- Construction of 24 rental units for seniors

## Out of District

### Lafayette, Indiana

One Mortgage Partners Corp., an affiliate of JPMorgan Chase Bank, N.A.

#### Chatham Square

- Subsidy of \$300,000 to Brinlaf, LLC
- Construction of 89 rental units

### Columbus, Ohio

One Mortgage Partners, Corp., an affiliate of JPMorgan Chase Bank, N.A.

#### Elim Manor – Section 8

- Subsidy of \$252,000 to Columbus Housing Partnership, Inc. and Metropolitan Housing Partners, Inc.
- Construction of 63 rental units for seniors

### Columbus, Ohio

One Mortgage Partners Corp., an affiliate of JPMorgan Chase Bank, N.A.

#### Enclave at Hilliard Run

- Subsidy of \$216,000 to Columbus Housing Partnership, Inc.
- Construction of 54 rental units

## Working for You and Your Community



2010 Community Investment Advisory Council. From left to right: James Hill, Diane Schobert, Jacques Sandberg, Domenick Martinelli, Robert Campbell, Wendy Baumann, Thomas Monico, Joy Aruguete, Bill Smirniotis, Mary Walker, Ray DePerry, Nancy McKenzie, William Schneider, Rafael Leon. Not pictured: Edward Bland.

### 2010 Community Investment Advisory Council

**Joy Aruguete**  
Bickerdike Redevelopment Corporation  
Chicago, Illinois

**Wendy K. Baumann**  
Vice Chair of Advisory Council  
Wisconsin Women's Business Initiative Corp.  
Milwaukee, Wisconsin

**Edward Bland**  
Housing Authority of Champaign County  
Champaign, Illinois

**Robert Campbell**  
Chair of Advisory Council  
Rockford Area Affordable Housing Coalition  
Rockford, Illinois

**Ray DePerry**  
Chippewa Housing Authority  
Lac du Flambeau, Wisconsin

**James M. Hill**  
Milwaukee Center for Independence  
Milwaukee, Wisconsin

**Rafael M. Leon**  
Chicago Metropolitan Housing Development Corp.  
Chicago, Illinois

**Domenick F. Martinelli**  
NHS of Southeast Wisconsin  
Racine, Wisconsin

**Nancy McKenzie**  
City of Rhinelander Housing Authority  
Rhinelander, Wisconsin

**Thomas Monico**  
Thomas & Thomas Associates, Inc.  
Glenview, Illinois

**Jacques Sandberg**  
The Community Builders  
Chicago, Illinois

**William Schneider**  
Turnstone Development  
Chicago, Illinois

**Diane M. Schobert**  
Wisconsin Housing & Economic Development Authority  
Madison, Wisconsin

**Bill Smirniotis**  
Illinois Housing Development Authority  
Chicago, Illinois

**Mary L. Walker**  
Neighborhood Housing Development Corporation  
Decatur, Illinois

### Affordable Housing Committee of the 2010 Board of Directors

**Edward P. Brady**  
Brady Homes  
Bloomington, Illinois

**P. David Kuhl**  
Chair of the Board of Directors  
Freestar Bank  
Pontiac, Illinois

**Roger L. Lehmann**  
Vice Chair of the Committee  
The Harvard State Bank  
Harvard, Illinois

**Kathleen E. Marinangel**  
Chair of the Committee  
McHenry Savings Bank  
McHenry, Illinois

**Leo J. Ries**  
Local Initiatives Support Corporation  
Milwaukee, Wisconsin

**Gregory A. White**  
LEARN Charter Schools  
Chicago, Illinois

### Community Investment Group Staff

**Jamie Ashbrook**  
Community Investment Assistant

**Eldridge Edgecombe**  
Senior Vice President and Community Investment Officer

**Rischarad Gray**  
Senior Community Investment Analyst

**Diane Jackson**  
Senior Community Investment Analyst

**Sam Nicita**  
Senior Vice President, Community Investment Operations

**Debra Pater**  
Vice President and Community Investment Consultant

**Joann Rudie**  
Assistant Vice President and Community Investment Operations Manager

**Suzanne Thackston**  
Assistant Vice President and Community Investment Specialist

**Susan Wohlhart**  
Assistant Vice President and Community Investment Compliance Manager

# Perspectives – Past. Present. Future.

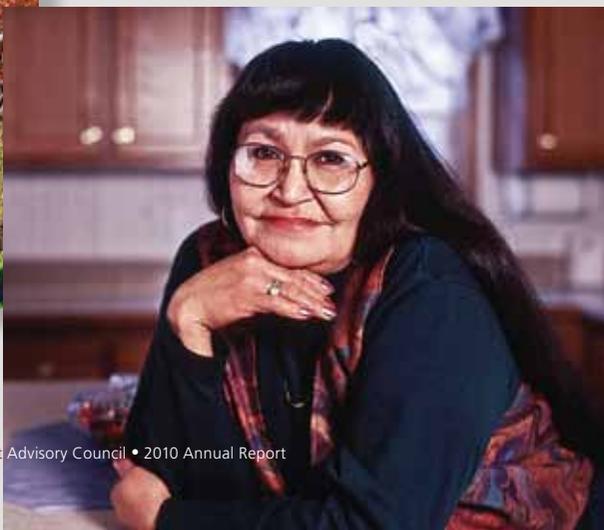
Thousands of people in Illinois and Wisconsin have benefited from the FHLB Chicago's community investment products since their introduction 20 years ago. Here's a snapshot.



**Top to bottom:**  
**AHP:** Casa Sor Juana, Chicago, Illinois •  
**Downpayment Plus:** Chicago, Illinois •  
**Letter of Credit:** White Pines Academy, Lemont, Illinois •  
**AHP:** Alden Gardens, Bloomingdale, Illinois



**Top to bottom:** **AHP:** Harold Washington Unity Cooperative; Chicago, Illinois • **AHP:** Convent Hill, Milwaukee, Wisconsin • **Down payment assistance:** Rockford, Illinois • **Down payment assistance:** La Courte Oreilles Reservation, near Hayward, Wisconsin



# 2011 AHP Allocations and Program Information

## Competitive Affordable Housing Program (AHP)

	2011	2010
Allocation available	\$23 million	\$4.6 million
Maximum subsidy per project	\$750,000	\$300,000
Application deadline	August 1, 2011	September 1, 2010
Award notification	Late November	Late November

## Downpayment Plus (DPP)

	2011	2010
Allocation available	\$11.6 million	\$1.7 million
Maximum member allocation	\$180,000	\$60,000
Maximum subsidy per household	\$6,000	\$4,000
Maximum counseling fee reimbursement	\$600	\$600
Annual participation fee (a)(b)	\$100	\$100
Reservation fee (b)	\$50	NA
Closing fee (b)	\$125	\$150

## Downpayment Plus Advantage

	2011	2010
Allocation available	\$800,000	\$300,000
Maximum member allocation	No limit	No limit
Maximum subsidy per household	\$6,000	\$4,000
Maximum counseling fee reimbursement	\$600	\$600
Annual participation fee (a)(b)	\$100	\$100
Reservation fee	\$50	NA
Closing fee	\$75	NA

(a) Annual participation fee entitles members to participate in both Downpayment Plus and Downpayment Plus Advantage programs

(b) Fees may not be passed through to homebuyers



Member owned. Member focused.

Federal Home Loan Bank of Chicago  
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Chicago, Illinois 60601

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