



# Community Lending Plan 2008

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## I. Community Lending Plan

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

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

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

## II. Market Research in 2007

In 2007, the Bank held nine member meetings around the District and solicited feedback from members on their needs. Also, a District-wide conference was held in Des Moines that explored topics such as entrepreneurial lending and rural development and social and economic trends. Panels of financial institutions executives, media representatives, entrepreneurs and community planners discussed and answered questions about the development of communities and the regional economy.

Separately, the Bank's Board of Directors has initiated an extended discussion of the Bank's mission to ensure that the Bank's products and services are directed to fulfilling that mission. The Bank activities outlined in the 2008 Community Lending Plan are intended to address issues from these discussions.

## III. Market Research in 2008

In 2008, the Bank plans to research products and services to assist members and communities in meeting their community and economic development needs throughout the District. The research will include federal, state and local economic development programs available in our District, as well as programs implemented by other FHLBank's. The Bank will also gain insight into unmet needs through member peer group meetings and input from the Bank's Affordable Housing Advisory Council.



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### IV. Bank Activities for 2008

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

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

In these programs the Bank makes advances at its cost of funds plus a markup to cover its administrative expenses. In 2008, the Bank will make approximately \$420 million available for CICA including an additional \$100 million for rural economic development lending and 2008 maturing CICA advances. There are two advance programs:

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

- 2) Regular Community Investments Advances – the minimum advance is \$100,000 and the maximum available per member is the greater of \$5 million or 15% of non-CICA borrowings for housing and commercial lending.

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

- ◆ **Offer Member Education**

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

- ◆ **Present Capital Community Awards**

The Bank's awards program for 2008 will recognize one community in each state in the Bank's District of Iowa, Minnesota, Missouri, North Dakota and South Dakota as a "Capital Community". The award for each community will consist of a \$15,000 unrestricted cash grant. The communities are chosen based on their vision, planning, teamwork, and their growth and development efforts.

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

The Bank will participate in and help sponsor conferences and workshops in the District that support the Bank's housing finance and community and economic development mission. The Bank collaborates with a number of economic and community development programs across the five states and hosts a Community Development



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Resources page on its website that provides information and links to various federal and state development and financial assistance programs.

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

### V. Quantitative Plan Goals for 2008

The Bank will make CICA advances totaling \$200 million

The Bank will make Rural Capital Advances \$100 million

Present Capital Community Awards 5

Participate in or support community lending conferences and workshops within the district 12

Research federal, state and local economic development programs available in our District and other FHLB programs that assist our member's local economic development needs.

Research our member's economic development needs in the district

Develop and implement a new economic development program for the Bank that will add value to our members and assist in their local economic development needs.

### VI. Limits on CICA Advances

- ◆ Total outstanding CICA advance balances are limited to \$1.65 billion at December 31, 2008. During the year, the Bank may exceed this limit as described in this Section.
- ◆ The per member limit on CICA advances is the greater of 15% of non-CICA advances or \$5 million. However, if a member obtains advances for economic development in rural areas under the Bank's Rural Capital Advance program, the limit would be increased to the greater of 15% of non-CICA advances or \$6 million. The Bank president or the president's designee may waive this limit for members in federal disaster areas to allow the rebuilding of communities affected by such disasters.
- ◆ The maximum percent of Area Median Income (AMI) to qualify for CICA advances to fund economic development and commercial lending is 115% for rural areas and 100% for urban areas.