



Community Lending Plan 2007

I. Community Lending Plan

In conjunction with the Community Investment Cash Advance (CICA) program, the Federal Housing Finance Board requires each Home Loan Bank to conduct market research in its district and describe how the Bank will address identified unmet credit needs and market opportunities for targeted community lending. To fulfill this obligation the Bank does the following:

- ◆ Conduct market research in the Bank's District.
- ◆ Consults with its Affordable Housing Advisory Council and with 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.

Additionally, the Bank 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, that may provide opportunities for a member to meet its community support requirements and to engage in economic development lending.

II. Market Research in 2006

The bank held "Town Hall" style meetings as a part of four regional conferences in 2006. These conferences included a broad range of financial institutions and community leaders. A panel of financial institutions, media, entrepreneurs, community planners and elected officials discussed and answered questions about the development of rural communities. The Bank activities outlined in the 2007 Community Lending Plan are intended to address issues from the Town Meeting discussions and to continue the focus on rural areas in the Bank's district and what can be done to improve their economic future.

III. Bank Activities for 2007

The Bank addresses identified credit needs and market opportunities in the Bank's District for targeted community lending by engaging in the activities described below.



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- ◆ **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 2007, the Bank will make approximately \$739 million available for CICA, including funds set aside for the Rural Capital Advance. CICA are available for terms of a minimum of six months to a maximum of 20 years. The minimum CICA amount is \$100,000.

- ◆ **Continue to Offer the Rural Capital Advance (RCA)**

For the third year, the Bank will make available an additional \$100 million for rural economic development lending. 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 activities. RCA are available for terms from a minimum of six months to a maximum of twenty years

- ◆ **Offer Member Education and Economic Development Conference**

The Bank will hold a conference in the fall of 2007 that will focus on housing finance and economic development.

- ◆ **Present Capital Community Awards**

The Bank's awards program for 2007 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 \$10,000 unrestricted cash grant and \$5,000 to hire a qualified intern.

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

The Bank will participate and support specific conferences and workshops within the district with community and economic development organizations. The economic development web page provides information on various state and federal programs and includes links to state and federal financial assistance programs.

The AHAC annual report will contain information on CICA advances and Bank CICA activities. The AHAC annual report will satisfy the annual notice provision of the CICA regulation.



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IV. Quantitative Plan Goals for 2006

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| The Bank will make CICA advances such as, but not limited to, Multi-family, Small Business, Small Farm and Small Agri-business lending totaling | \$300 million |
| ▪ Make Rural Capital advances | \$100 million |
| ▪ Present Capital Community Awards | 5 |
| ▪ Participate in or support community lending conferences and workshops within the district | 12 |

V. Limits on CICA Advances

- ♦ As of January 1, 2007, the Bank will make available for CICA advances approximately \$739 million, including existing CICA advances that are scheduled to mature in 2007 and over the remainder of 2006, and an additional \$100 in RCA and will make available any amounts representing pre-paid CICA advances.
- ♦ As of January 1, 2007 the Bank will make available an additional \$126 million for Rural Capital Advances representing the addition of \$100 million to the RCA program, and existing RCA advances that are scheduled to mature in 2007, and over the remainder of 2006; and will make available any amounts representing pre-paid Rural Capital Advances.
- ♦ Total outstanding CICA advance balances are limited to \$1.55 billion at December 31, 2007. During the year, the Bank may exceed this limit as described in this Section V.
- ♦ 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 lending is 115% for rural areas and 100% for urban areas.