

# Coming Home



Affordable Housing Advisory Council  
2007 Annual Report



FEDERAL HOME LOAN BANK OF INDIANAPOLIS

## Urban Living

The Rink Savoy in downtown Indianapolis has been home to Linda Alexander twice – first as an 18-year-old coming out of foster care and then again 34 years later after the building had undergone an extensive renovation. The FHLBI awarded a \$500,000 AHP grant to First Indiana Bank (now M&I Bank) to help renovate two adjacent abandoned buildings into 60 apartments and 5 condominiums. Linda, who teaches GED classes at two nearby Volunteers of America sites, enjoys living downtown and being close to bus routes. “To be an affordable apartment – no one would ever think you have this look in the heart of town,” said Linda. “It offers hope,” she continued. “It proves you don’t have to have megabucks. I never thought I’d live in a place like this.”

*Adapted from an interview by Bill Brooks, editor, Urban Times*



## 2007 Affordable Housing Advisory Council



Seated left to right: Jacquelyn Dodyk, J. Jacob Sipe, Linda Smith.  
Standing left to right: Jack Brummett, Ted Rozeboom, Mark Lindenlaub, Michelle LaJoie, William Taft, Harold Mast. Not pictured: Jane Clingman-Scott

## 2007 AFFORDABLE HOUSING ADVISORY COUNCIL

### **Jane Clingman-Scott, Chair**

*Transition Coordinator*  
GRAND  
Muskegon, MI

### **Jack Brummett**

*Regional President*  
Great Lakes Capital Fund  
Indianapolis, IN

### **Jacquelyn Dodyk**

*Executive Director*  
Affordable Housing Corp.  
Marion, IN

### **Michelle LaJoie**

*Housing Assets Director*  
Chippewa-Luce-Mackinac Community Action  
Human Resource Authority, Inc.  
Sault Ste. Marie, MI

### **Mark Lindenlaub**

*Executive Director*  
Housing Partnerships, Inc.  
Columbus, IN

### **Harold Mast**

*Executive Director*  
Genesis Non-Profit Housing Corp.  
Grand Rapids, MI

### **Ted Rozeboom**

*Attorney*  
Loomis, Ewert, Parsley, Davis, & Gotting  
Lansing, MI

### **J. Jacob Sipe**

*Multi-family Manager*  
Indiana Housing and Community  
Development Authority  
Indianapolis, IN

### **Linda Smith**

*Executive Director*  
U-SNAP-BAC, Inc./U-SNAP-BAC  
Non Profit Housing Corp.  
Detroit, MI

### **William Taft**

*Program Director*  
Local Initiatives Support Corp.  
Indianapolis, IN

## 2007 AFFORDABLE HOUSING COMMITTEE OF THE BOARD OF DIRECTORS

### **Timothy Gaylord, Chair**

President & CEO  
Mason State Bank  
Mason, MI

### **Teresa Lubbers, Vice Chair**

Indiana State Senate  
Indianapolis, IN

### **Jonathan Bradford**

President & CEO  
Inner City Christian Federation  
Grand Rapids, MI

### **Charles Crow**

FHLBI Vice Chairman  
Chairman, President & CEO  
Community Bank  
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### **Jeffrey Poxon**

Senior Vice President of Investments  
Lafayette Life Insurance Company  
Lafayette, IN

### **Paul Clabuesch (ex officio)**

FHLBI Board Chairman  
Chairman, President & CEO  
Thumb National Bank & Trust  
Pigeon, MI

## MESSAGE FROM THE ADVISORY COUNCIL CHAIR

It is always an honor to be asked to sit with a group of people who are bringing the best of their experience, knowledge and goodwill to the table for a common benefit. This is the case with the Federal Home Loan of Indianapolis Affordable Housing Advisory Council (Council). Members of the Council represent the best of the nonprofit housing industry in Indiana and Michigan. These housing professionals leave their work in rural housing development, capital investment, special needs housing, and neighborhood development many hours each year to assure that the FHLBI's Affordable Housing Program is effectively meeting the ever-shifting needs of low-income communities in our two states.



Jane M. Clingman-Scott

This is challenging because the need is great, the development process is complicated and, especially in the past year, the economic landscape is treacherous. The Council has risen to these challenges creatively and conscientiously and with good fellowship.

**In 2007, the Council revised the AHP Implementation Plan to be compliant with regulations and responsive to the needs of our members. This plan resulted in**

- the creation of 871 affordable housing units,
- 706 downpayment assistance grants,
- 167 housing rehab grants,
- the creation of programs to respond to natural disasters, and
- the establishment of HomeRetain to help people at risk of delinquency or default.

**For 2008, the Council is supporting several initiatives to increase the use of the FHLBI's programs.**

- Encourage state tax credit agencies in both Indiana and Michigan to coordinate their award cycles and dates with those of AHP.
- Expand outreach and training to further develop participants in affordable housing and community investment programs. Accomplish this by partnering with members, housing associates, member trade organizations, and economic development organizations to develop affordable housing and community development opportunities.
- Promote the use of HomeRetain, making modifications as necessary to respond to district needs.

The Council's accomplishments are satisfying because we are able to see the results in the form of an increase in well-designed and well-built housing. We see neighborhoods reaching higher goals, inspired by new development. We see families having hope again as they build equity in their homes. We are inspired as we work together with talented and dedicated experts. We also see great challenges in the years ahead. Every community we represent is facing the ruinous results of foreclosures, unemployment, and financial drains both private and public. I believe we will be able to meet those challenges and help our communities turn around because of the qualities that brought us together in the first place – experience, knowledge and goodwill.

Sincerely,

A handwritten signature in black ink that reads "Jane M. Clingman-Scott". The signature is fluid and cursive.

Jane M. Clingman-Scott



## LETTER FROM THE PRESIDENT

The FHLBI's tagline – *Building Partnerships. Serving Communities.* – expresses simply our mission of helping to promote affordable housing and economic development in communities across Indiana and Michigan. Through partnerships with our member institutions and their teamwork with local organizations, the FHLBI awarded over \$9.1 million in grants and made over \$133.3 million in low-cost advances in 2007. These funds have enabled families, senior citizens, the homeless, disabled, and others to have a quality, safe, and affordable home that otherwise might not have been available to them.



Milton J. Miller  
President & CEO

### 2007 Community Investment Staff



Seated left to right: MaryBeth Wott, Marjorie Green, Ronna Edwards  
Standing left to right: Trish Lewis, Deb Conley, Danielle Tinsley,  
RoseMarie Roberts, Stepheny Tays, Jonathan Childress

The partnership between the Affordable Housing Advisory Council and the community investment staff led to the development of HomeRetain, a special offering of the Community Investment Program to help ease the pain of the subprime mortgage crisis that has hit Indiana and Michigan particularly hard. Members can use HomeRetain advances to refinance or modify loans for homeowners at risk of delinquency or default. Another initiative, the Disaster Relief Program, can help communities recover from natural disasters, such as the tornadoes that hit Nappanee, Indiana, last fall. I am apprecia-

tive of the good work that comes from knowledgeable and experienced people sitting down together to tackle challenges facing communities in our district and deciding how the FHLBI can best assist them.

Over the past year, I have heard many stories from leaders of non-profits about how FHLBI dollars are changing lives. Their enthusiasm about their work and their compassion for people in their communities is inspiring, and I am proud that the FHLBI is one of their partners. I would encourage more members to take advantage of our programs and begin to build their own partnerships with local developers and nonprofit organizations. Housing and economic challenges are wide spread and will likely continue well into 2008, but the success of our affordable housing and community investment programs attests to our commitment to members and their customers.

A handwritten signature in black ink that reads "Milton J. Miller". The signature is written in a cursive, flowing style.

Milton J. Miller  
President & CEO

## SUMMARY OF PROGRAMS

During 2007, 75 different members participated in one or more of the FHLBI's housing and community development programs. Along with the Affordable Housing Advisory Council, we would like to thank each member and sponsor for their support of these programs throughout the year.

### Affordable Housing Program

Over \$9 million in AHP subsidy was awarded through two competitive offerings to create or preserve 871 units of affordable owner-occupied and rental housing. Twenty-two members submitted a total of 70 applications. Since the program's inception in 1990, the FHLBI has awarded a cumulative total of \$152 million to create over 21,500 units of affordable housing.

### Homeownership Initiatives

From March 7, 2007, to March 17, 2008, \$4.3 million of the available 2007 funds was disbursed as down-payment and closing cost assistance and homeowner rehabilitation grants through HOP and NIP Reserve and Express. These funds were disbursed through 62 members to assist 873 individuals and families become homeowners or maintain their homes.

### Community Investment Program

The Community Investment Program (CIP) encourages members to increase their involvement in housing and community-based economic development. In 2007, over \$133 million was disbursed through 14 member institutions. In addition, the FHLBI issued \$12.1 million in letters of credit to provide credit enhancement for low- to moderate-income rental projects.

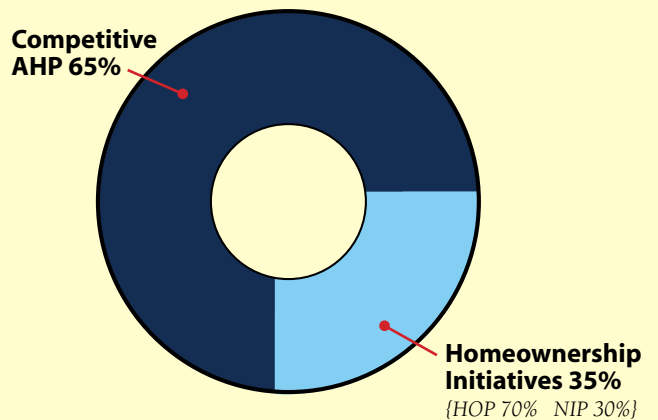
**FHLBI AHP/HOMEOWNERSHIP INITIATIVES  
SUMMARY 2003-2007 (\$ in millions)**

YEAR	2003	2004	2005	2006	2007
AHP SUBSIDY	\$12	\$10.9	\$8.4	\$9.3	\$9.1
AHP UNITS	1,234	1,072	954	973	871
HOP/NIP SUBSIDY	\$5.2	\$5.0	\$5.6	\$5.0	\$4.3
HOP/NIP UNITS	799	1,150	1,250	1,168	873

**FHLBI CIP INITIATIVES  
SUMMARY 2003-2007 (\$ in millions)**

YEAR	2003	2004	2005	2006	2007
CIP	\$149.9	\$141.6	\$112.1	\$154.9	\$133.3

**Allocation of Community Investment Resources**



## AFFORDABLE HOUSING PROGRAM

In 2007, the Affordable Housing Program (AHP) granted over \$9.1 million to fund 32 projects, creating 871 units of affordable housing. Of these projects, 18 are located in Indiana and 14 are located in Michigan.

Nonprofit organizations, for-profit developers, and public entities partner with an FHLBI member institution to apply for the competitive AHP grants.

Each application is competitively scored based on a 100-point scale. The average score in 2007 was approximately 64 points. Nearly half the scored applications were funded in 2007, which is similar to the pattern experienced in 2006. This percentage is a reflection of both the number of applications submitted and the dollar amount of subsidy requested per project.

The community investment department is committed to helping applicants determine application readiness. Through consultations, several web-based training sessions, and telephone helplines, applicants are counseled on the most appropriate time to apply based on the status of the development process.

Grants awarded during 2007 include:

- Habitat for Humanity homes
- Rehabilitation of multifamily housing for low-income families
- Adaptive reuse of former school buildings into housing units for low-income seniors
- Transitional housing for women and children fleeing domestic abuse
- Affordable housing to support independent living for disabled adults
- Renovation of apartment buildings with units set aside as transitional housing for homeless individuals
- Affordable housing units for grandparent-maintained families
- Rental units dedicated to providing supportive housing for the homeless, including veterans

Since the inception of the AHP in 1990, the FHLBI has awarded over \$152 million to 987 projects, creating over 21,500 units of affordable housing.



These young girls have a safe place to live and play at Carrot Way Apartments. The Community Center emphasizes children's activities, which helps attract parent participation. Additionally, Carrot Way's location adjacent to a public park gives older children access to a larger play area with basketball courts and soccer fields.

### Carrot Way Apartments

Opened in 2005, Carrot Way in Ann Arbor, Michigan, is a supportive housing project that provides an innovative and creative solution for reducing homelessness. Carrot Way was sponsored by Avalon Housing. Avalon's approach to housing the homeless focuses on helping people keep their housing, and it uses a model of property management and service provision that is tenant focused, onsite, and proactive. It provides supportive housing services for tenants, which include recovery and mental health support, independent living skills, advocacy around healthcare and entitlement benefits, as well as assisting tenants with education and employment goals.

One of Carrot Way's key features is the Community Center, which functions as the hub of the neighborhood, providing resources and opportunities for all residents. Offering an after-school program, workshops and classes, food distribution, and a range of other activities, the





Carrot Way Apartments in Ann Arbor, Michigan, provide supportive housing for homeless individuals and families so that residents can have housing stability while they work to achieve self-sufficiency. Avalon Housing, Inc. received an AHP grant of \$153,000 through its partner, National City Bank.

Community Center helps tenants build skills, access resources, and connect with peers. Monthly “Town Hall” meetings held at the Center allow tenants to come together to solve community problems.

Carrot Way’s location adjacent to a public park means that older children have access to a larger play area, including basketball courts and soccer fields. Food Gatherers, a local food rescue organization with an office and warehouse adjacent to the apartment community, offers nutritious food for Carrot Way families.

Carrot Way was developed with several funding sources. The FHLBI awarded an AHP grant of \$153,000 through National City Bank. Other funding sources included LIHTC and HOME grants, a Shelter Plus Care grant from HUD, and Section 8 vouchers from MSHDA. Carrot Way also benefited from an innovative campaign conducted by Religious Action for Affordable Housing. This local coalition of religious congregations raised \$200,000 toward the purchase price of the land. The project also received predevelopment support from LISC and the City of



Ann Arbor as well as a bridge loan from the limited partner to carry the project across the long development timeline.

Carrot Way is the first project completed as part of Washtenaw County’s Blueprint to End Homelessness.

## 2007 AFFORDABLE HOUSING PROGRAM AWARDS

### INDIANA

#### ANDERSON

##### **Central School Apartments - \$200,000**

Irwin Union Bank and Trust Co.

Sponsor: Quality Housing Development, Inc.

28 rental units

A historic renovation of a school building along with new construction will provide housing for seniors. Common areas for services and meetings will be created.

#### BLOOMINGTON

##### **Covey Lane - \$500,000**

##### **Monroe Bank**

Sponsor: Options for Better Living

12 rental units

Six duplexes, with four designed for wheelchair access, will offer housing for the disabled. Services will assist residents with financial management, employment, and in-home education.

#### COLUMBIA CITY

##### **Heritage Place - \$307,339**

##### **Star Financial Bank**

Sponsor: Whitley Crossings Neighborhood Corp.

22 rental units

New three- and four-bedroom homes will be leased to families who may choose to purchase the homes. Homeownership and financial counseling will be offered.

#### EDINBURGH

##### **Newbury Pointe - \$450,000**

##### **Greensfork Township State Bank**

Sponsor: Milestone Ventures, Inc.

24 units

New apartments for senior citizens will feature a community center, computer center, and exercise room.

#### ELKHART

##### **Changing Lives - \$16,000**

##### **1st Source Bank**

Sponsor: Habitat for Humanity of Elkhart County, Inc.

2 homeownership units

Habitat will construct two 1,100 square foot homes that will include all appliances and exterior storage.

##### **Diversity - \$8,000**

##### **1st Source Bank**

Sponsor: Habitat for Humanity of Elkhart County, Inc.

1 homeownership unit

Habitat will build one 1,100 square foot home for a family in the Elkhart community.

##### **Roosevelt Center - \$400,000**

##### **1st Source Bank**

Sponsor: LaCasa of Goshen, Inc.

33 rental units

A former school building will be converted into apartments with a few reserved for the homeless and disabled. A community center will house offices and a YMCA with gym and exercise room.

#### GOSHEN

##### **Maple Court Place - \$118,000**

##### **Irwin Union Bank and Trust Co.**

Sponsor: The Housing Authority of the City of Goshen

59 rental units

The development is the first in the community to offer four-bedroom units for large families. New apartments will provide transitional housing for handicapped low-income individuals.

#### HUNTINGTON

##### **Central School - \$350,000**

##### **Mutual FSB**

Sponsor: Quality Housing Development, Inc.

35 rental units

A former school building located in downtown Huntington will provide senior housing with four units set aside for disabled residents and two for the homeless.

#### INDIANAPOLIS

##### **Coburn Place Safehaven II, Inc. - \$500,000**

##### **Irwin Union Bank and Trust Co.**

Sponsor: Coburn Place Safehaven II, Inc.

35 rental units

Renovations and upgrades to this transitional housing program for women and children fleeing domestic abuse will consist of upgraded residential units, increased secure parking, updated security system, a new community room and computer room.

##### **Georgetown Apartments - \$500,000**

##### **Irwin Union Bank and Trust Co.**

Sponsor: Partners for Affordable Housing, Inc.

76 rental units

A vacant development will be renovated into one-, two-, three-, and four-bedroom apartments, with five apartments reserved for transitional housing.

##### **Mapleton Park - \$297,500**

##### **Greensfork Township State Bank**

Sponsor: Partners in Housing Development Corp.

25 rental units

Two apartment buildings will be rehabbed with 15 units reserved for homeless veterans.

#### LaPORTE

##### **Butterfly Garden Apartments - \$360,650**

##### **Horizon Bank NA**

Sponsor: Parents and Friends, Inc.

6 rental units

Four new duplex homes will provide affordable housing for disabled adults to live independently.

#### LINTON

##### **Independence Place - \$500,000**

##### **Greensfork Township State Bank**

Sponsor: Four Rivers Resource Services, Inc.

30 units

New one-, two-, three-, and four-bedroom apartments will provide affordable housing for low-income families with several units set aside for the disabled and homeless.





Westside Community Development Corp. in Indianapolis, Indiana, used a \$500,000 AHP grant awarded to Fifth Third Bank to renovate 8 homes for a program called Fostering Independence, which assists youth exiting the foster system.



Central School Apartments, once a former school building, now contains 35 affordable apartments for senior citizens. The project involved both certified historic renovation to preserve the only pre-1900 structure in Anderson and new construction. Quality Housing Development, Inc. used a \$200,000 AHP grant awarded to Irwin Union Bank and Trust to help complete the project.

## INDIANA *continued*

### MARENGO

**Spring Town Apartments - \$473,500**

**Greensfork Township State Bank**

Sponsor: Hoosier Uplands Economic Development Corp.

19 rental units

New and existing apartments will provide housing for residents of Crawford County, designated as an Area of Chronic Distress. Special features include providing residents with children aged 9-15 with a personal computer and printer.

### PALMYRA

**Country Trace - \$500,000**

**Greensfork Township State Bank**

Sponsor: Blue River Services, Inc.

26 rental units

Each apartment in this new senior citizen community will feature its own front porch and patio. The property will also offer a community room, exercise room, computer center, and leasing office.

### SOUTH BEND

**Far West Side Building - \$82,054**

**LaSalle Bank Midwest NA**

Sponsor: Habitat for Humanity of St. Joseph County

8 homeownership units

Habitat plans to build 10 homes throughout St. Joseph County.

Families will help build their own homes and will be instructed in home repair and maintenance.

### VINCENNES

**Hillcrest Heights - \$300,000**

**Fifth Third Bank**

Sponsor: Southern Indiana Homeownership, Inc.

35 rental units

A former hospital will be converted into senior citizen housing. The facility will offer an activities room and services center.

## MICHIGAN

### ANN ARBOR

**201 W. William - \$60,000**

**Bank of Ann Arbor**

Sponsor: Avalon Housing

6 rental units

Six existing rental units will be updated for increased energy efficiency to improve the comfort of residents and lessen maintenance costs.

**1675/1677 Broadway - \$40,000**

**Bank of Ann Arbor**

Sponsor: Avalon Housing

4 rental units

Housing for victims of domestic violence and their families will be provided along with a wide range of intensive services.

**Whispering Creek Apartments - \$159,915**

**Bank of Ann Arbor**

Sponsor: Michigan Ability Partners

11 rental units

Apartments will be renovated to house the homeless, with seven units reserved for homeless disabled veterans.

### CROSWELL

**Croswell Country Manor - \$320,000**

**Northstar Bank**

Sponsor: Human Development Commission

32 rental units

Planned renovations to this complex for seniors include exterior improvements such as automatic entry doors with key card entry to increase resident safety.

Interior upgrades include replacing flooring and updating kitchens and baths.

## 2007 AFFORDABLE HOUSING PROGRAM AWARDS



A residential property in Indianapolis was converted into an assisted living facility for four developmentally disabled adults. Crooked Creek Northwest Community Development Corp. received an AHP grant of \$67,000 through Union Federal Bank (now Huntington Bank).

### **MICHIGAN** *continued*

#### **DETROIT**

##### **Brush Estates Townhomes - \$500,000**

##### **Fifth Third Bank**

Sponsor: Brush Estates LDHA LP

75 rental units

All of these new townhomes will have three bedrooms, two baths and a full basement, in addition to security systems, off-street parking, and carports.

##### **Rouge Woods Apartments - \$221,869**

##### **LaSalle Bank Midwest NA**

Sponsor: Northwest Detroit Neighborhood Development

23 rental units

The renovation of these garden-style apartments should spur interest in revitalizing a blighted area in the Brightmoor community. Some units will be designated for transitional housing for the homeless and those with severe mental illness.

##### **Southwest Housing Partners III - \$158,004**

##### **Fifth Third Bank**

Sponsor: Southwest Housing Solutions Corp.

18 rental units

This mixed-use development will consist of apartments for low-income individuals and families, with some reserved for the homeless or mentally ill. The building will also house the Child and Family Services office.

##### **Springwells Partners V - \$500,000**

##### **Fifth Third Bank**

Sponsor: Southwest Housing Solutions Corp.

29 rental units

Two buildings will be rehabilitated for low-income families with six units reserved for the homeless or mentally ill.

##### **Springwells Village Townhomes - \$160,000**

##### **LaSalle Bank Midwest NA**

Sponsor: Bridging Communities, Inc.

24 rental units

These new homes will provide affordable housing to grandparent-maintained families as well as low-income families. The complex will offer a community room, on-site daycare, and playground.

#### **DURAND**

##### **Sycamore House - \$200,000**

##### **Fifth Third Bank**

Sponsor: Shiawassee Council on Aging and The Woda Group

36 rental units

An abandoned school building will house low-income seniors and will include a community room and computer center.

#### **GRAND RAPIDS**

##### **Carmody Apartments - \$209,000**

##### **Fifth Third Bank**

Sponsor: ICCF Non-Profit Housing Corp.

19 rental units

The building rehabilitation will include new roof, parking lot and windows, with each apartment receiving a new kitchen and bathroom.

##### **Celebrating 25 Years of Affordable Homebuilding in Kent - \$119,000**

##### **Mercantile Bank of Michigan**

Sponsor: Habitat for Humanity of Kent County

14 homeownership units

New single-family homes averaging 1,250 square feet will be handicapped accessible as well as LEED certified.

#### **HOLLAND**

##### **Dream Come True 2007 - \$90,000**

##### **Fifth Third Bank**

Sponsor: Lakeshore Habitat for Humanity

10 homeownership units

These three-bedroom, one-bath homes averaging 1,400 square feet are being built for low-income families in the Holland and Finville areas.

#### **SHELBY**

##### **Barnett Station Village Apartments - \$384,000**

##### **West Shore Bank**

Sponsor: Channel Housing Ministries, Inc.

32 rental units

These new two- and three-bedroom apartments will provide affordable housing for low-income citizens with some units reserved for the homeless.

#### **SCATTERED SITES**

##### **2008 Michigan Build - \$150,000**

##### **LaSalle Bank Midwest NA**

Sponsor: Habitat for Humanity of Michigan, Inc.

15 homeownership units

Habitat will partner with the Michigan Department of Corrections where many of the components for the homes will be constructed.



DeMotte State Bank applied for an advance under the CIP to help build a Tysen's Family Market in Kouts. Tysen's, a family-owned business started in 1971, created 30 jobs for the small town in northwest Indiana.

## COMMUNITY INVESTMENT PROGRAM

In 2007, 14 members used the Community Investment Program (CIP) to generate approximately \$133.3 million in advances. Also in 2007, over \$12 million in CIP letters of credit were disbursed.

CIP provides below market-rate loans that enable financial institutions to extend long-term financing for housing and economic development that benefits low- and moderate-income families and neighborhoods. The program is a catalyst for economic development because it supports projects that create and preserve jobs and helps build infrastructure to support growth. Lenders have used CIP funds to finance owner-occupied and rental housing, medical facilities, and retail stores, in addition to providing small business loans.

CIP is flexible enough for member institutions to fund a project using several different funding sources. In several cases, the CIP is used in conjunction with the AHP, low-income housing tax credits, and other funding options.

### HomeRetain

With both Indiana and Michigan among the states with high foreclosure rates, the FHLBI initiated HomeRetain, a \$100 million special offering (\$50 million for Indiana members and \$50 million for Michigan members) of the CIP to help qualified homeowners in members' local communities who are at risk of being delinquent or defaulting on their home loans.

Members can use HomeRetain advances to modify or refinance mortgages for primary residences in Indiana, Michigan, or any other state in which a member does business. The new or modified loan provided to the consumer must be a fully amortizing, fixed-rate mortgage. To qualify homeowners must have incomes at or below 115 percent of HUD area median incomes and complete a homeowner counseling program.





## HOMEOWNERSHIP INITIATIVES

The Homeownership Initiatives Programs provided \$4.3 million of the available 2007 funds to 873 households for assistance with downpayment, closing costs or rehabilitation. These funds were disbursed from March 7, 2007, to March 17, 2008.

The Homeownership Initiatives include the Homeownership Opportunities Program (HOP), which provides funds for downpayment/closing cost assistance to first-time homebuyers and the Neighborhood Impact Program (NIP), which provides funds for rehabilitation of owner-occupied homes.

The *HOPReserve* and *NIPReserve* programs provide funds, awarded in the early spring, which are reserved for the member institution for one year. A member can apply for funds in February to be awarded in March. Once awarded, the member can develop programs to market and use the funds in their communities during the following year.

Grants are a maximum of \$5,000 per household for the *HOPExpress*, *HOPReserve* and *NIPExpress* programs, while the *NIPReserve* maximum grant allows up to \$15,000 per household. *NIPExpress* and *NIPReserve* provide funds to aid existing homeowners make modifications or repairs to their homes. Modifications may include accessibility issues such as installing ramps and pull bars, or repairs such as furnaces or roofs.

The *HOPExpress* and the *NIPExpress* funds are released on a first-come, first-served basis. The *Express* programs provided assistance to 335 households. Members were able to offer *Express* funds throughout the disbursement period.

Due to the availability of funds, the \$250,000 member cap for HOP programs was lifted for the 2007 program year. This action allowed users to assist a greater number of households than they did in previous years.



Top photo: Helping Jennifer Bosnyak celebrate homeownership is MaryBeth Wott, FHLBI Community Investment Officer; Steve Ferdon, HPI board member; Jennifer Bosnyak, homeowner; Mark Lindenlaub, HPI President and Chair of the FHLBI's 2008 Affordable Housing Advisory Council; Eric Hayes, HPI board chairman; Sherry Siewert, Executive Director of the Indiana Housing and Community Development Authority; Columbus Mayor Fred Armstrong; and Jeff Fetterer, Vice President Mortgage Lending, Irwin Union Bank.

### **Irwin Union Bank, F.S.B. partnering with Housing Partnerships, Inc. Columbus, IN**

#### **Recipient – Jennifer Bosnyak \$5,000**

Since 1989, Housing Partnerships, Inc. of Columbus, Indiana, has been creating home-buying opportunities for low- to moderate-income families in Bartholomew County. The summer of 2007 saw the completion of their 100th house sold to a local first-time homebuyer. Several funders, including Irwin Union Bank, partnered with HPI to make the dream of homeownership a reality for Jennifer Bosnyak. Jennifer began the long road to homeownership six years ago by joining HPI's rental program. Though a home of her own was the ultimate goal, Jennifer never truly thought it would become a reality. Jennifer's persistence and hard work provided in credit counseling and sweat equity proved fruitful when she received \$5,000 of FHLBI's HOP monies for downpayment and closing cost assistance in purchasing her home.



Volunteers from the Central Wesleyan Church in Holland, Michigan, help homeowner Tracy Probst with painting and landscaping. Tracy received funds from the FHLBI's Neighborhood Impact Program to make several home improvements.

**Macatawa Bank partnering with the City of Holland Holland, MI**

**Recipient – Tracy Probst \$5,500**

Tracy Probst has owned his own home for 10 years. Living on a very limited income, Tracy chose to use his annual tax refund for home improvements such as new windows and siding. When the time came to replace the roof, his \$2,580 in savings fell short of the monies

required for the repairs. Macatawa Bank partnered with the City of Holland to use FHLBI's Neighborhood Impact Program to provide an additional \$5,500 – enough to accomplish the repairs. With the necessary repairs completed, Tracy indicated he would like to have his porch painted and some landscaping work done, which, due to his disability, he was

unable to accomplish on his own. Volunteers from Central Wesleyan Church in Holland put those finishing touches on Tracy's home. The home now is not only affordable but also makes a positive impact on the neighborhood in which Tracy lives by encouraging others to spruce up their homes.

**2007 HOMEOWNERSHIP INITIATIVES**

(3/7/2007 - 3/17/2008)

	Households	Total Granted
<b>HOPExpress</b>	<b>290</b>	<b>\$1,336,536</b>
<b>HOPReserve</b>	<b>416</b>	<b>\$2,014,162</b>
<b>NIPExpress</b>	<b>45</b>	<b>\$ 219,273</b>
<b>NIPReserve</b>	<b>122</b>	<b>\$ 779,556</b>
<b>Total</b>	<b>873</b>	<b>\$4,349,527</b>



## COMMUNITY SPIRIT AWARDS

The FHLBI and its Affordable Housing Advisory Council present the Community Spirit Award annually to honor an individual from one of the FHLBI's member financial institutions in Michigan and Indiana who has shown outstanding dedication to affordable housing and community economic development. The 2007 Community Spirit Awards were presented to Janice Blackman and David Phillipy.

At the time she received the award, Blackman was serving as Vice President of Civic and Community Development at LaSalle Bank Midwest (now Bank of America) in Troy, Michigan. She has over 20 years of banking experience and has been dedicated to improving local communities by her involvement on various boards, including the Metropolitan Detroit Fair Housing Center, Warren Conner Development Coalition, Flint Area Community Housing Resource Board, the City of Farmington Hills Loan Board and the Oak Park Business and Education Alliance.



**Janice Blackman**  
Vice President of Civic & Community Development,  
LaSalle Bank Midwest,  
Troy, Michigan



**David Phillipy**  
Vice President, Compliance & CRA Management  
Monroe Bank,  
Bloomington, Indiana

Phillipy is Vice President, Compliance & CRA Management at Monroe Bank in Bloomington, Indiana. He has been closely involved with Options for Better Living, a nonprofit organization that provides services to children and adults with disabilities. Phillipy helped Options obtain a \$500,000 AHP grant for its Covey Lane project, which will consist of six duplexes for persons with disabilities in addition to offering supportive services.



In Haughville, several homes have been renovated or built with AHP grants. The FHLBI group was able to view the improvements to this neighborhood just west of downtown Indianapolis.



The family room at Theodora House offers a fun place for children to visit their mothers. Theodora House provides transitional housing for women exiting the penal system.

### The Spirit of AHP

During a fall tour of affordable housing projects in downtown Indianapolis, members of the FHLBI's board of directors, Affordable Housing Advisory Council, and staff saw first hand how AHP grants are improving neighborhoods and lives. The group visited Christamore House, which contains 36 apartments for low-income senior citizens, and took a short walk through a nearby neighborhood to view renovated and newly constructed homes built with AHP dollars. The group also toured Theodora House and drove by several other affordable housing initiatives.



## FHLBI COMMUNITY INVESTMENT PROGRAMS

Purpose	Funding Type/Use	2008 Funding Amount & Limits	2008 Application/Funding Process	Key Requirements
<b>AFFORDABLE HOUSING PROGRAM</b>				
Acquire, develop and/or rehabilitate affordable rental or owner-occupied housing for households earning up to 80% of area median income	Grant may be used to: <ul style="list-style-type: none"> <li>• Provide gap financing</li> <li>• Reduce mortgage principal</li> <li>• Fund rehabilitation and new construction</li> <li>• Cover downpayment and closing costs</li> <li>• Preserve affordable housing</li> <li>• Some soft costs</li> <li>• Aquisition</li> </ul>	\$9.3 million \$500,000 grant limit per project per round	Competitive funding rounds twice per year 2008A due April 17 2008B due September 17	Members must underwrite projects. Projects must meet eligibility, feasibility, retention, monitoring and compliance requirements. At least 20% of rental units must be affordable to households at or below 50% of area median income. No match required
<b>HOPRESERVE</b>				
Assist first-time homebuyers with household incomes of 80% or less with downpayment and/or closing cost assistance	Provide members with an allocation of funding for downpayment and closing cost grants for first-time homebuyers HOPEXpress/Reserve member limit of \$300,000	\$2.9 million \$5,000 per household	Applications due in February are awarded in March with one year to use funds Member must complete registration process and participate in web-based training	3:1 Match \$500 minimum homebuyer contribution Homebuyer counseling required Funds may be used to pay up to \$150 for homebuyer counseling
<b>HOPEXPRESS</b>				
Assist first-time homebuyers with household incomes of 80% or less with downpayment and/or closing cost assistance	Provide members with case-by-case grant funding for downpayment and closing cost assistance for first-time homebuyers HOPEXpress/Reserve member limit of \$300,000	\$1.3 million \$5,000 per household	First-come, first-served basis <ul style="list-style-type: none"> <li>• 70% of funds available March</li> <li>• 30% remaining released in August</li> </ul> Member must complete registration process and participate in web-based training	3:1 Match \$500 minimum homebuyer contribution Homebuyer counseling required Funds may be used to pay up to \$150 for homebuyer counseling
<b>NIPEXPRESS</b>				
Assist existing homeowners with incomes of 80% or less with rehabilitation needs	Provide members with case-by-case grant funding for rehabilitation for owner-occupied housing NIPExpress member limit - \$300,000	\$1.8 million \$10,000 per household	First-come, first-served basis <ul style="list-style-type: none"> <li>• 70% of funds available March</li> <li>• 30% remaining released in August</li> </ul> Member must complete registration process and participate in web-based training	4:1 Match
<b>DRP</b>				
Assist low- and moderate-income households impacted by federal or state-declared disasters	Upon authorization by FHLBI Board, related to a specific disaster, provide members with homeowner assistance as needed	To be determined depending on disaster designation and FHLBI Board approval	Disaster-specific guidelines to be adopted based on local need	To be determined based on disaster-specific needs
<b>CIP</b>				
Finance community economic development activities benefiting households up to 115% of area median income, including housing, small business loans	Discounted loans: Reduced rate, intermediate and long-term advances that may be used for: <ul style="list-style-type: none"> <li>• Owner-occupied or rental housing</li> <li>• Economic development in targeted area</li> <li>• Small business loans</li> <li>• Job creation</li> </ul>	\$100 million No limit per member but minimum \$100,000 advance	Open window Member institutions may apply at any time	Income and other eligibility requirements based on type of development activity. Advances are subject to FHLBI credit and collateral requirements Prepayment penalties may apply
<b>HomeRetain</b>				
Refinance or modify mortgages of homeowners with incomes up to 115% of area median income	Discounted loans: Reduced rate, intermediate and long-term advances for refinancing or modification of existing mortgages to fixed rate loans	\$100 million with minimum \$100,000 advance \$15 million per member	Non-competitive application process	Homeowner counseling required Advances are subject to FHLBI credit and collateral requirements Prepayment penalties may apply



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