



Community Lending Plan 2009

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 Agency 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 2008

In 2008, the Bank held nine regional member meetings around the District and solicited feedback from members on their needs. The Bank also conducted a competition under its Capital Community program that provides information on the activities and issues of small towns within the district. The Bank also sponsored a new program, Conversations with Capital Communities, which held discussions in two past Capital Communities winners' communities. In addition, the Bank's AHAC met in four different cities within the district to hear presentations on local issues and tour various projects funded by the Bank.

III. Market Research in 2009

In 2009, 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 Bank will conduct a survey of members to gauge interest in Community Sustainability centered on member's interest in the development of entrepreneurship in communities. The Bank will also gain insight into unmet needs through regional member peer group meetings. The Bank's Affordable Housing Advisory Council will also provide input by meeting in four locations around the Bank's district. These AHAC meetings will include speakers and projects from those communities. The Bank's Conversations with Successful Communities program also provides input on community lending issues.



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IV. Bank Activities for 2009

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 2009, the Bank will make approximately \$500 million available for CICA including an additional \$100 million for rural economic development lending and 2009 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 9 regional peer group 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 2009 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.

Conversations with Successful Communities

In 2008 the Bank launched a new program to revisit past Capital Communities award winners and renew the discussion to see what has happened since the original award. The Bank will continue this program in 2009.



Enhanced Relationships with State Housing Finance Agencies (SHFA)

The Bank will continue to meet with SHFA's to build on the financing arrangements completed in 2008 and to develop new opportunities to work with SHFAs.

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

The AHAC will meet in four locations around the district in order to expand the AHAC's knowledge of the communities and to build a relationship with those communities. 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.

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 2009

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| The Bank will make CICA advances totaling | \$300 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 |
| Conduct Conversations with Successful Communities | 2 |
| Conduct a survey of members on Community Sustainability issues. | |

VI. Limits on CICA Advances

- ◆ Total outstanding CICA advance balances are limited to \$1.75 billion at December 31, 2009. 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



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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.

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