

2010 / Fifth District
Advisory Council
Annual Report

Accessibility





ON THE COVER

The Federal Home Loan Bank of Cincinnati's new Carol M. Peterson Housing Fund helps mobility-restricted individuals in the Fifth District improve accessibility by building wheelchair ramps at their homes. The fund covers up to \$2,000 toward the cost of ramp materials, and volunteers provide the labor. *See full story on page 6.*

Left: Batavia, Ohio, resident Wilma Mustain (in wheelchair) poses with Clermont Senior Services Home Repair Volunteers, who built a ramp for her and her husband, Marshal Mustain. The Mustains' ramp was completed in November 2010 as a result of the partnership between FHLBank member RiverHills Bank, Milford, Ohio, and nonprofit sponsor Clermont Senior Services, Batavia.

Right: More than 70 students from the University of Tennessee spent fall break 2010 in the Pineville, Kentucky, area, helping build six wheelchair ramps for mobility-restricted residents. The pictured group of students helped build a ramp for physically challenged

resident R.E. Shackelford of Middlesboro, Kentucky, and his wife and caregiver, Ellen (both pictured center). FHLBank member Commercial Bank, Pineville, partnered with sponsor Bell-Whitley Community Action Agency, Pineville, to secure a Peterson Fund grant.

2010 / Fifth District Advisory Council Annual Report

The Fifth District Advisory Council works with the Federal Home Loan Bank of Cincinnati’s Board of Directors and management to address affordable housing and community investment needs throughout Kentucky, Ohio and Tennessee.

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A Message to Our Members and Partners

On behalf of the Federal Home Loan Bank of Cincinnati's Advisory Council (Council), Board of Directors and management, we present the FHLBank's 2010 Advisory Council Annual Report. 2010 was a banner year for the Affordable Housing Program (AHP), measured by the number of grants distributed, the amount of funds awarded, and most important, the thousands of families helped. Additionally, the FHLBank System's AHP was named 2010 "Housing Program of the Year" in June by the National Housing Conference. In an economy struggling to emerge from recession, this assistance has become critical to affordable housing production.



Affordable Housing and Lending Reflections

2010's AHP fund was based on FHLBank earnings in 2009, and it was an unusual set of circumstances that produced a near-record amount of funds. Turmoil in the worldwide credit markets created record levels of Advance balances at favorable spreads for the FHLBank heading into 2009. Though this trend began to subside by the second half of 2009, it produced strong profits for the year and a generous AHP for 2010.

During two rounds of AHP grants in 2010 a total of \$28.6 million was awarded, helping to fund creation of 1,861 units of housing. In addition, our Welcome Home Program, a set-aside of 35 percent of AHP, disbursed \$10.1 million to help fund acquisitions for 2,147 homebuyers. Both totals were records for Welcome Home. It was a fast-paced year for the FHLBank's Housing and Community Investment staff, but also a rewarding year for the scores of participating FHLBank members and sponsors and for hundreds of families served.

Earnings in 2010 were less robust, however, amid a slow economy, low interest rates and decreased demand for Advances from our members. This will result in a smaller – though still substantial – AHP, with

\$20.2 million accrued for 2011. This is comparable to the level seen in 2003.

Carol M. Peterson Housing Fund

In last year's report, we observed the passing of Carol Mount Peterson, who led the FHLBank's housing and community development efforts for more than two decades. To honor her memory, in June the FHLBank's Board of Directors established the Carol M. Peterson Housing Fund, an umbrella for our voluntary housing programs. The FHLBank initiated its voluntary housing programs – outside the congressionally mandated AHP – in 2003, and over the years the Board had directed those voluntary funds to meet the needs of a rapidly changing affordable housing scene. Examples include assistance for special needs homeowners, homeowners displaced by natural disasters such as 2005's Hurricane Katrina, and for homeowners at risk of foreclosure.

The Board approved \$1 million for the Carol M. Peterson Housing Fund, to be used to help provide ramps for persons with permanent mobility restrictions requiring the use of wheelchairs. Eligible recipients qualify for up

Clockwise from left: William Y. Carroll Sr., Chair, FHLBank Board of Directors Housing and Community Development Committee; David H. Hehman, FHLBank President and CEO; and Mark K. Milligan, Chair, 2010 Advisory Council.

to \$2,000 toward the cost of materials for a ramp. Funds are provided through members of the FHLBank working with non-profit sponsors providing volunteer labor. Sponsors must apply to participate and members may access funding on a first-come, first-served basis.

Adjusting AHP Priorities

The past year has presented special challenges for AHP projects trying to increase homeownership, especially for first-time homebuyers and for persons with special needs. Many of the homebuyers traditionally served by these projects have not been able to secure first mortgage financing in this economic environment and many of the projects are struggling to become completed. The demand for affordable rental housing has also increased. As rental projects approach the end of their tax credit retention periods and other affordability periods, the buildings are in need of substantial rehabilitation.

After thorough and vigorous discussions, the Advisory Council recommended, and the Board approved, significant changes in the priorities for AHP going forward. In 2011, there will be a greater priority for rental rehab projects, especially those that preserve affordable housing. The special needs priority is also shifting focus toward rental projects in which the vast majority of residents have some form of special need. All of the priorities and changes are posted on the FHLBank's web site, www.fhlbcin.com, and have been communicated through workshops and webinars.

Retiring Council Members

The Council bids farewell to Garry Watkins, President of Wabuck Development Co. Inc., Leitchfield, Kentucky. Mr. Watkins completed his third full term on the Council and was therefore not eligible for reappointment. As a developer of affordable housing, he provided the Council with invaluable rental housing expertise. During his 11-year

FHLBank Senior Vice President-Housing and Community Investment Jeff Reynolds participates in the June 2010 ribbon-cutting ceremony for Jefferson Avenue Apartments, a \$6.4 million affordable housing project in Columbus, Ohio, that features FHLBank Affordable Housing Program funding.



FHLBank President and CEO David Hehman addresses the audience at the annual Kentucky Affordable Housing Conference, held in Louisville in September 2010.

tenure, Mr. Watkins served as chairman of the Council, providing guidance and leadership to Council members, FHLBank management and the Board. The Council also thanks members Robert Brewster, Executive Director of Brighton Center, Newport, Kentucky and Chris McCarthy, (retired) President and CEO of Nashville Habitat for Humanity, both of whom left the Council at the end of 2010.

The Year Ahead

2011 begins with new leadership on the Council: Terry Cunningham is Chair, and Deborah Williams is Vice Chair. The FHLBank will continue to work closely with our housing partners during 2011. In February of the new year, for instance, we saw record attendance at AHP workshops in Columbus, Ohio; Lexington, Kentucky; and Nashville, Tennessee. The FHLBank continues to use webinars to provide guidance to our housing partners on AHP monitoring requirements, the AHP application and disbursement processes and the Welcome Home Program. The FHLBank also plans to continue sponsoring annual affordable housing conferences throughout the Fifth District.

The funding environment remains a difficult one for many of our housing partners. Reaching out to our members and sponsors is the best way to ensure that the FHLBank's affordable housing programs work most effectively to promote supportive rental housing and responsible homeownership.

Sincerely,

Mark K. Milligan,
Chair, 2010 Advisory Council

William Y. Carroll Sr., Chair, FHLBank
Board of Directors Housing and
Community Development Committee

David H. Hehman
FHLBank President and CEO

Programs Summary

During 2010, 238 members participated in one or more of the FHLBank's housing and community development programs. The Council would like to thank each member and sponsor for their support of these programs throughout the year.

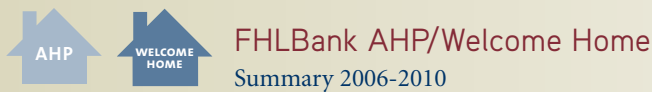
Affordable Housing Program

A total of \$28.6 million – the largest annual total in the program's history – was awarded to 48 members in 71 grants of AHP subsidy through two competitive offerings. These awards created 1,861 units of affordable owner-occupied and rental housing. Awarded subsidy includes recaptured and deobligated funds from prior AHP rounds. Since the program's inception in 1990, the FHLBank has awarded \$329 million to help create approximately 39,000 units of affordable housing.

Welcome Home Program

A total of \$10.1 million – also the largest annual total in this program's history – was provided through 164 members as downpayment and closing cost assistance grants to help roughly 2,147 individuals and families purchase affordable homes. Since the program's inception in 1998, the FHLBank has disbursed approximately \$73 million to help some 15,000 families become homeowners.

Through the Affordable Housing and Welcome Home programs, the FHLBank has awarded more than \$400 million for the creation of almost 55,000 units of affordable housing.



Preserving the American Dream

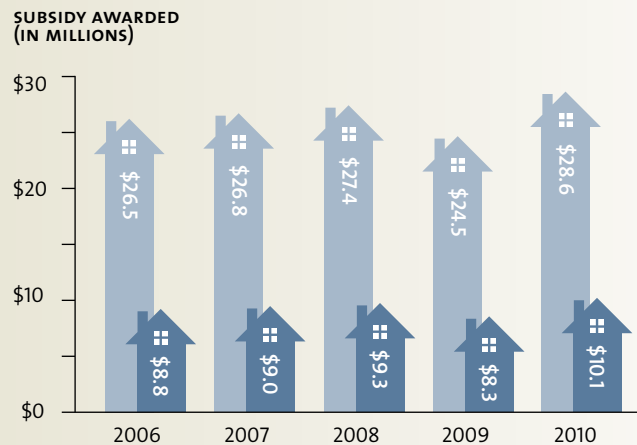
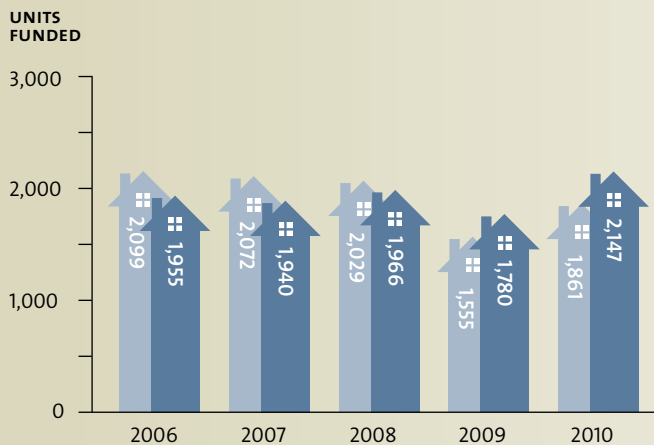
Created by the Board of Directors in 2008, this voluntary foreclosure intervention and mitigation program came to a close in 2010. The program created partnerships between the FHLBank, member financial institutions and counseling agencies to help homeowners in danger of defaulting on their mortgages. More than \$2.6 million was used to assist 2,244 homeowners.

Carol M. Peterson Housing Fund

In June the Board established the Carol M. Peterson Housing Fund, an umbrella for the FHLBank's voluntary housing programs. The Board approved \$1 million for the fund, to be used to help provide ramps for persons with permanent mobility restrictions requiring the use of wheelchairs. Eligible recipients qualify for up to \$2,000 toward the cost of materials for a ramp. About two dozen ramps were funded in fall 2010, and the FHLBank expects activity to increase in spring 2011.

Additional Programs

The Community Investment Program (CIP), Economic Development Program (EDP) and the Zero Interest Fund (ZIF) encourage members to increase their involvement in housing and community-based economic development. In 2010, \$115 million in CIP/EDP/ZIF funding was approved through 25 member institutions.



Welcome Home figures reflect actual disbursements.

Advisory Council



FRONT ROW, SEATED LEFT TO RIGHT

George R. Brown
Executive Director
Clermont Senior Services Inc.
Batavia, Ohio

Susan E. Weaver
CEO and Executive Director
Community Housing
Network Inc.
Columbus, Ohio

Mark K. Milligan
(Council Chair)
Principal Owner
Passage Management
Columbus, Ohio

BACK ROW, STANDING LEFT TO RIGHT

Stacey D. Epperson
President and CEO
NextSteps
Louisville, Kentucky

Cecil F. Dunn
Executive Director
HOPE Center
Lexington, Kentucky

Donald R. Ball
Chairman
Ball Homes
Lexington, Kentucky

Linda G. Leathers
CEO
The Next Door Inc.
Nashville, Tennessee

Larry E. Murtaugh
Executive Director
Catholic Charities Facilities/
Housing Corp.
Cleveland, Ohio

Steven D. Gladman
President
The Affordable Housing
Trust for Columbus
and Franklin County
Columbus, Ohio

Robert Brewster
Executive Director
Brighton Center and
Brighton Properties
Newport, Kentucky

Chris McCarthy
President/CEO (retired)
Nashville Area Habitat
for Humanity
Nashville, Tennessee

Deborah W. Williams
Executive Director
Housing Assistance and
Development Services Inc. (HANDS)
Bowling Green, Kentucky

Terry W. Cunningham
(Council Vice Chair)
Executive Director
Kingsport Housing and
Redevelopment Authority
Kingsport, Tennessee

Garry D. Watkins
President
Wabuck Development Co.
Leitchfield, Kentucky

Marie Williams
Executive Director, Recovery
Services and Planning
Tennessee Department
of Mental Health and
Developmental Disabilities
Nashville, Tennessee

PROJECT PROFILES

Carol M. Peterson Housing Fund Addresses Accessibility

Within three months of its introduction in August 2010, a new FHLBank program began changing Fifth District residents' lives almost overnight.

The Carol M. Peterson Housing Fund, which currently makes the construction of residential wheelchair ramps possible for mobility restricted individuals, was created and approved by the FHLBank Board of Directors in June 2010. The Board set aside \$1 million, available on a first-come,

first-served basis to members working with qualified housing partners. This voluntary fund, which may change its focus based on evolving district housing needs and recommendations from the FHLBank's Advisory Council, honors the contributions to affordable housing made by Carol M. Peterson, the FHLBank's



**WILMA AND MARSHAL MUSTAIN
BATAVIA, OHIO**

Navy veteran Marshal Mustain, 70, and his wife, Wilma, 68, are still happily married after nearly 51 years. They recall their first date on Christmas Eve 1959. They remember everything about their August 1960 wedding. They both laugh, however, at the admission that they do forget their anniversary every year.

Once Wilma was diagnosed with a neurological disorder that eventually required the use of a wheelchair, Marshal searched for ways to make her life more comfortable. He came up with the idea to build a wheelchair ramp at their house himself, and he asked his township for ideas on specifications and other details. Employees put him in touch with Clermont Senior Services, Batavia, and through the nonprofit he learned about the Peterson Housing Fund. Based on an ongoing working relationship, Clermont

Senior Services reached out to RiverHills Bank, Milford, Ohio, to join the project as a participating FHLBank member institution. With RiverHills on board, the Mustains' ramp was completed by Clermont Senior Services Home Repair Volunteers in November 2010.

The project touched the family so much that Marshal "got in the Christmas spirit all of a sudden," he said. He did some volunteer work with Clermont Senior Services during the holidays – playing Santa Claus himself – and he took Wilma along in the car. "The ramp made it easy for me to transport her from the house to the car and back," Marshall said. "She really enjoyed getting out, and so did I. We just felt we had to give back. Thank you so much for helping us."



Left: Pictured on the Mustain family's new wheelchair ramp in Batavia, Ohio, are, from left to right: Julie Doerger, FHLBank Housing Program Manager; Helen Fisher, Intake Coordinator, Clermont Senior Services, Batavia, Ohio; Lee Ann Wildey, Vice President/Credit Manager, RiverHills Bank, Milford, Ohio; and Wilma and Marshal Mustain.

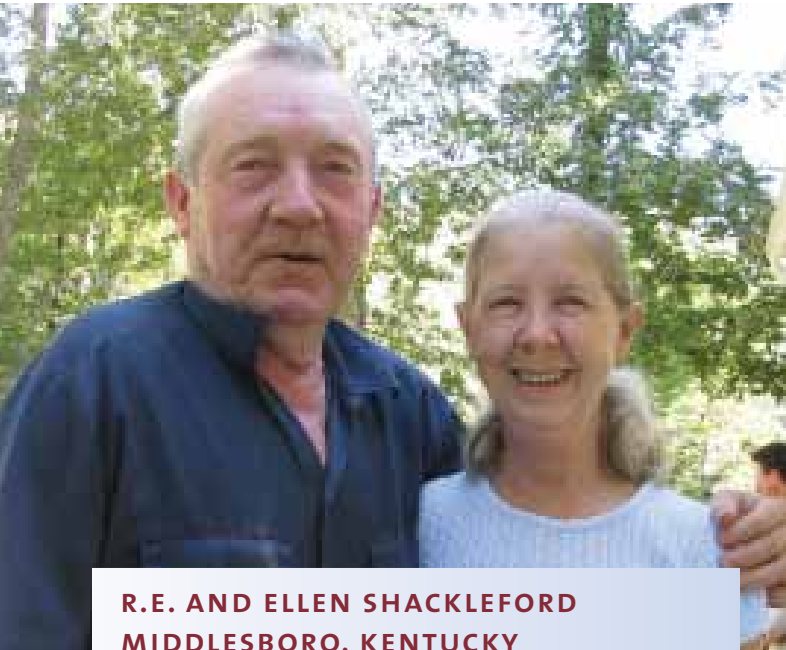
Top: Wilma and Marshal try out their new ramp for the first time.

Below: Marshal "got in the Christmas spirit" after the ramp was built and played Santa Claus at Clermont Senior Services during Christmas 2010.

longtime Senior Vice President-Housing and Community Investment. Carol passed away in March 2010 after serving the FHLBank for more than 30 years. Her passion was the creation of safe and decent affordable housing, especially for those with special needs.

FHLBank members and their nonprofit eligible sponsoring organizations may apply to the Peterson Housing Fund for up to \$2,000 toward the cost of materials to build ramps for eligible recipients. The ramps are constructed through volunteer labor, and are often completed in a matter of days.

For 2010, 31 project reservation requests have been approved by the Housing and Community Investment Department. Funding is still available. If you know a mobility restricted Fifth District resident who could benefit from the installation of a wheelchair ramp at his/her residence, visit the FHLBank's web site at www.fhlbcin.com or call the department toll-free at 888-345-2246. Nonprofit sponsors begin the process by registering as an eligible sponsor. They then work with a FHLBank member institution to complete the project.



**R.E. AND ELLEN SHACKLEFORD
MIDDLESBORO, KENTUCKY**



R.E. Shackelford, 66, uses a wheelchair now, due to muscles that have deteriorated in his back and legs. The condition has left him unable to navigate the exterior stairs leading to his rural Middlesboro, Kentucky, home, where he lives with his wife, Ellen, 65. But on a sunny October 2010 day, student volunteers from the University of Tennessee-Knoxville were sawing and hammering outside his back door, building a wooden wheelchair ramp that has enabled him to come and go more easily.

"This is going to be something," R.E. said as he watched the students, who were in town during their annual Fall Break. "It's going to be a real joy, for me and for this lovely lady who takes such good care of me."

The Shackelfords' ramp was among the first to be built through the Carol M. Peterson Housing Fund. Bell-Whitley Community Action Agency, Pineville, and FHLBank member Commercial Bank, Pineville, worked together to receive funding from the Peterson Housing Fund.

Above, middle: The partnership that made it happen: Norman Cornelius (left), Housing Coordinator, Bell-Whitley Community Action Agency, and Kelly Chumley, Vice President, Commercial Bank, helped build six wheelchair ramps in the Pineville area using money from the Peterson Housing Fund. Both longtime area residents, the two have become good friends and along the way have improved the lives of many low- to moderate-income residents.

PROJECT PROFILES

Affordable Housing Program Enjoys Record Year

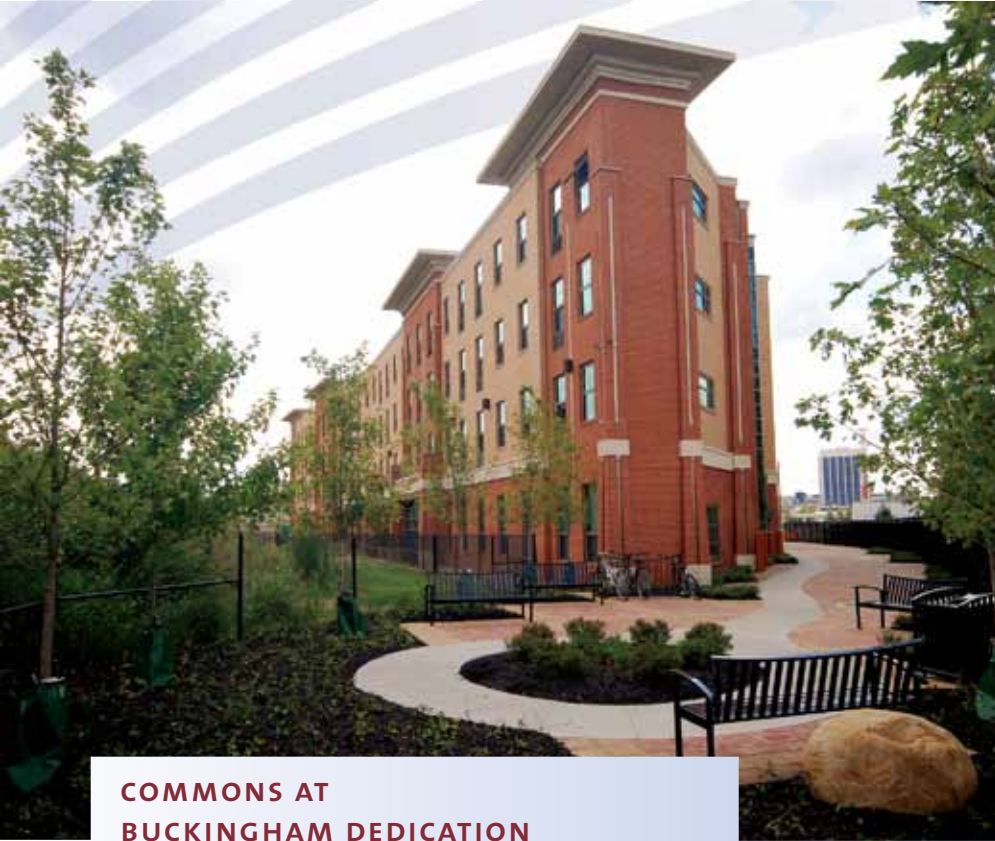
The FHLBank achieved a milestone in 2010, giving more money away through its Affordable Housing Program (AHP) in one year than it has since 1990 when the program began to disburse funding.

A total of \$28.6 million of AHP subsidy was awarded through 71 grants to 48 members in two competitive offerings. This funding created 1,861 units of affordable owner-occupied and rental housing. Awarded subsidy includes recaptured and deobligated funds from prior AHP rounds. Since the program's inception in 1990, the FHLBank has awarded \$329 million to help create nearly 39,000 units of safe, decent, affordable housing for those in need throughout Kentucky, Ohio, Tennessee and several other states.

The FHLBank System's AHP has helped thousands of individuals and families across the U.S. gain access to affordable housing. As required by Congress, each of the 12 Federal Home Loan Banks contributes 10 percent of annual net earnings as subsidies – either direct grants or subsidized Advances – toward affordable housing financing. FHLBank member institutions and nonprofit sponsors work together to create homeownership and rental opportunities for individuals and families. Nationally, the AHP received special recognition in June 2010 when it was named “Housing Program of the Year” by the National Housing Conference during a well-attended ceremony in Washington, D.C.

Representing Cincinnati at the FHLBank System's AHP “Housing Program of the Year” award ceremony at the National Building Museum in Washington, D.C., on June 9 were, from left to right: Charles Ruma, Board member and President, Virginia Homes Ltd., Columbus, Ohio; Terry Cunningham, Advisory Council Vice Chair and Executive Director, Kingsport (Tenn.) Housing and Redevelopment Authority; William Carroll Sr., Board member and Chairman, SmartBank, Pigeon Forge, Tenn.; B. Proctor Caudill Jr., Board Vice Chair and Director, Kentucky Bank, Paris, Kentucky; Carl Wick, Board Chair and Principal, Wick and Associates, Centerville, Ohio; Billie Wade, Board member and Director, First Farmers Bank and Trust Co., Owenton, Kentucky; and David Hehman, FHLBank President and CEO.





COMMONS AT BUCKINGHAM DEDICATION

Columbus, Ohio: FHLBank member Huntington National Bank, Columbus, and nonprofit sponsor National Church Residences, Columbus, partnered to construct Commons at Buckingham, a 100-unit permanent supportive housing community in downtown Columbus for low- and very low-income, special needs adult individuals, the majority of whom are homeless. Dedication of the attractive complex took place on July 22, 2010, in Columbus and was attended by more than 100 sponsors and supporters.

The FHLBank awarded Huntington and National Church Residences a \$1 million AHP grant toward the \$13.2 million facility. Residents of the 560- to 667-square-foot furnished efficiency units enjoy on-site laundry, nearby public transportation, 24/7 on-site desk staff, an employment resource center and on-site case management.

Through its affordable housing advocate organizations, the City of Columbus has long prioritized the creation of housing for the homeless and senior housing in its community. Earlier in the year, many of those involved in Commons at Buckingham opened a similar rental complex in the area, Commons at Livingston.

Top: Pictured at the Commons at Buckingham dedication on July 22, 2010, in Columbus, Ohio, are, from left to right: Mark Milligan, FHLBank Advisory Council Chair and Principal, Passage Management, Columbus; Susan Weaver, FHLBank Advisory Council Member and CEO, Community Housing Network, Columbus; Jim DeRoberts, FHLBank Director and Chairman, Arlington Bank, Upper Arlington; Jeff Reynolds, FHLBank Senior Vice President-Housing and Community Investment; Staci Glenn-Short, Community Development, The Huntington National Bank; and Steven Gladman, FHLBank Advisory Council Member and President, The Affordable Housing Trust for Columbus and Franklin County.

PROJECT PROFILES

Affordable Housing Program



NEW TRANSITIONAL HOUSING FACILITY FOR MEN GROUNDBREAKING

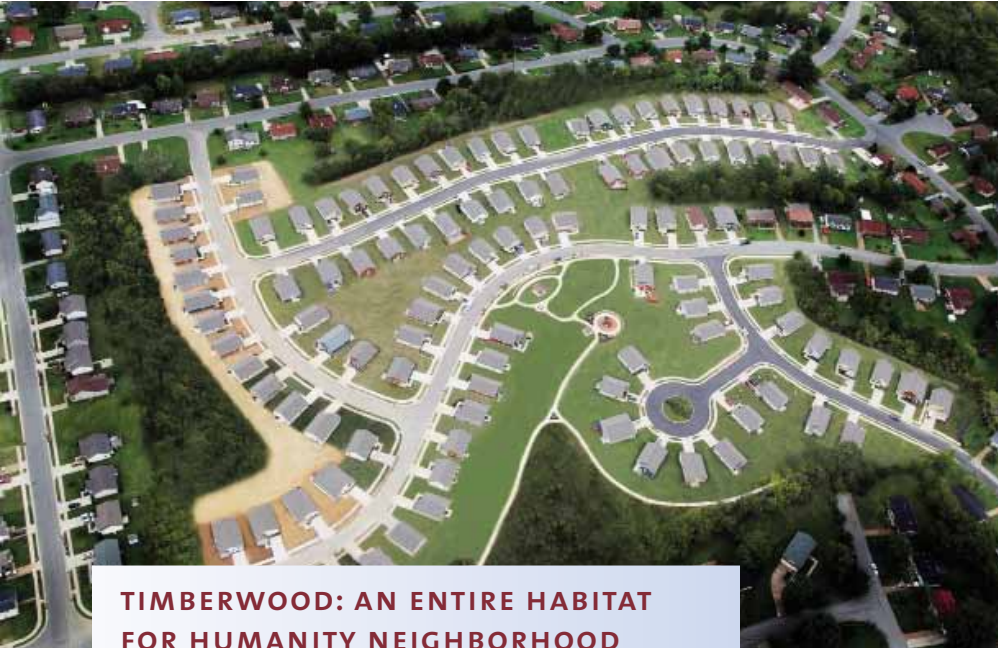
Pictured at the New Transitional Housing Facility for Men groundbreaking on September 24, 2010, in Lexington, Kentucky, are, from left to right: Cecil Dunn, FHLBank Advisory Council member and Executive Director, HOPE Center, Lexington; Marlene Helm, Commissioner of Social Services, Lexington-Fayette Urban County Government; FHLBank President and CEO David Hehman; Luther Deaton, President and CEO, Central Bank and Trust Co., Lexington; Mayor Jim Newberry, Lexington-Fayette Urban County Government; and Kentucky Governor Steve Beshear.

Lexington, Kentucky: FHLBank member Central Bank and Trust Co., Lexington, and nonprofit sponsor HOPE Center, Lexington, partnered to help develop the New Transitional Housing Facility for Men, a 100-unit complex for very low-income, special needs men. A groundbreaking ceremony for the project was held on September 24, 2010.

Central Bank and Trust Co. and HOPE Center received a \$1 million grant from the FHLBank's AHP. The new \$2.87 million building joins seven other HOPE Center facilities, all of which exist to care for homeless and at-risk persons by providing life-sustaining and life-rebuilding services.

The new facility will help reduce demand at the HOPE Center's Emergency Shelter, which was built in 1993 to house the homeless population. The facility contains a health clinic and offers mental health programs, an employment program and several additional activities. Though the shelter has 118 beds, employees often have to find room for up to 230 men per night.





TIMBERWOOD: AN ENTIRE HABITAT FOR HUMANITY NEIGHBORHOOD

Nashville, Tennessee: FHLBank member Pinnacle National Bank, Nashville, and nonprofit partner Nashville Area Habitat for Humanity worked together since 2007 to develop Timberwood, an entire subdivision comprised of 112 Habitat homes. Home dedications in the third and last phase of the development took place in April, June and September 2010.

This last phase of the project included the construction of 26 homes for 104 family members and benefitted from a generous contribution. To complete Timberwood, an anonymous donor matched contributions from individuals and corporations up to \$780,000, raising the funds needed to build the last group of homes. Nashville Habitat embraced the “Bring It Home!” campaign, and the challenge was met.

Pinnacle National Bank and Nashville Habitat received a total of \$374,000 in grants from the FHLBank’s AHP through two rounds of funding. The partnership supported 65 of the Timberwood homes.

Nashville Habitat has been nationally recognized by the Environmental Protection Agency for its continued leadership in protecting the environment through energy efficiency and sustainable home construction.



Top: Cassandra’s new home.

Top Inset: Cassandra Newborn-McGruder and her family, daughters Chancey and Mari Liz and sons Thomas and McKinley, received the keys to their new home in Timberwood on June 13, 2010.

Below: FHLBank Vice President-Housing and Community Investment Damon Allen congratulates new homeowner Nicola Johnson, who was honored during the Timberwood completion ceremony on September 19, 2010. Nicola is pictured with daughters Alani and Aleigha, along with Congressman Jim Cooper (D-TN, 5th Dist.), who was on hand for the final dedication celebration.

AFFORDABLE HOUSING PROGRAM 2010

KENTUCKY

Adair County

Elizabeth Lodge
Columbia, KY

\$319,000 grant, 32 rental units

Wilson & Muir Bank and Trust Co.,
Bardstown

Housing Assistance and Development
Services Inc. (HANDS), Bowling Green

Barren County

Maddox Manor
Glasgow, KY

\$479,950 grant, 48 rental units

Wilson & Muir Bank and Trust Co.,
Bardstown

Housing Assistance and Development
Services Inc. (HANDS), Bowling Green

Breathitt County

Trillium House
Jackson, KY

\$200,000 grant, 4 rental units

The First National Bank of Jackson,
Jackson

Kentucky River Community Care Inc.,
Jackson

Bullitt County

Collins Court
Shepherdsville, KY

\$279,944 grant, 28 rental units

Wilson & Muir Bank and Trust Co.,
Bardstown

Parkland Manor Inc., Leitchfield

Caldwell, Crittenden,
Lyon Counties

2010 Quad County Housing,
Rural Western KY

Eddyville, KY

\$210,000 grant, 14 rental units

Planters Bank Inc., Hopkinsville

Pennyroyal Regional Mental Health
Mental Retardation Board Inc.,
Hopkinsville

Clay, Jackson, Laurel,
Rockcastle Counties

2010 DBCAA AHP Project

Clay, Jackson, Laurel Counties, London,
Rockcastle, KY

\$165,000 grant, 11 owner-occupied units

The First National Bank of Manchester,
Manchester

Daniel Boone Community Action
Agency Inc., Manchester

Fayette County

HOPE Center Community House
Lexington, KY

\$1,000,000 grant, 100 rental units

Central Bank and Trust Co., Lexington
HOPE Center, Lexington

Lexington Habitat for Humanity 2010A
Fayette County, Lexington, KY

\$296,586 grant, 6 owner-occupied units

First State Financial, Pineville
Lexington Habitat for Humanity Inc.,
Lexington

Lexington Habitat for
Humanity 2010A#2

Fayette County, Lexington, KY

\$124,555 grant, 5 owner-occupied units

First State Financial, Pineville
Lexington Habitat for Humanity Inc.,
Lexington

Floyd County

Stonecrest Substance Abuse
Complex-Transitional Treatment
Prestonsburg, KY

\$450,000 grant, 30 rental units

Citizens National Bank of Paintsville,
Paintsville

Mountain Comprehensive Care Center,
Prestonsburg

Stonecrest Substance Abuse Complex
Primary Care

Prestonsburg, KY

\$450,000 grant, 30 rental units

First Commonwealth Bank of
Prestonsburg Inc., Prestonsburg
Mountain Comprehensive Care Center,
Prestonsburg

Grayson County

Patty Beasley Children's Home
Leitchfield, KY

\$988,500 grant, 30 rental units

Leitchfield Deposit Bank and Trust Co.,
Leitchfield

Appalachian Children's Home,
Barbourville

Henderson County

2010 A

Henderson County, KY

\$82,671 grant, 2 owner-occupied units

Ohio Valley Financial Group Inc.,
Henderson

Habitat for Humanity of
Henderson KY Inc., Henderson

Jefferson County

Habitat for Humanity of Metro
Louisville 2010A#1

Jefferson County, KY

\$194,167 grant, 4 owner-occupied units

Republic Bank and Trust Co., Louisville
Habitat for Humanity of Metro

Louisville, Louisville

Habitat for Humanity of Metro
Louisville 2010A#2

Jefferson County, KY

\$44,907 grant, 6 owner-occupied units

Republic Bank and Trust Co., Louisville
Habitat for Humanity of Metro

Louisville, Louisville

Downtown Scholar House
Louisville, KY

\$500,000 grant, 54 rental units

Citizens Union Bank of Shelbyville,
Shelbyville

Family Scholar House Inc., Louisville

Knox County

Eagle Nest Apartments
Barbourville, KY

\$319,000 grant, 32 rental units

Leitchfield Deposit Bank and Trust Co.,
Leitchfield

Appalachian Children's Home,
Barbourville

Laurel County

Noah Apartments
London, KY

\$319,000 grant, 32 rental units
Wilson & Muir Bank and Trust Co.,
Bardstown
Parkland Manor Inc., Leitchfield

Madison County

*HFH of Madison & Clark
Counties, KY 2010A*

Madison and Clark County, KY
\$281,754 grant, 6 owner-occupied units
Madison Bank, Richmond
Habitat for Humanity of Madison and
Clark Counties, Richmond

Mercer County

Habitat for Humanity Mercer Co. 2010A
Mercer County, KY

\$197,064 grant, 4 owner-occupied units
The Farmers National Bank of Danville,
Danville
Habitat for Humanity Mercer
County Inc., Harrodsburg

Perry County

2010 Perry County Homebuyer
Perry County, KY

\$150,000 grant, 6 owner-occupied units
First Federal Savings and Loan Assoc.,
Hazard
Housing Development Alliance Inc.,
Hazard

Pike County

*Sandy Valley Habitat for
Humanity 2010A*
Pike County, KY

\$298,895 grant, 6 owner-occupied units
Community Trust Bank Inc., Pikeville
Sandy Valley Habitat for Humanity,
Pikeville

*Mountain Comprehensive Care
Independent Living Apartments*
Pikeville, KY

\$200,000 grant, 4 rental units
First Commonwealth Bank of
Prestonsburg Inc., Prestonsburg
Mountain Comprehensive Care Center,
Prestonsburg

*Mountain Comprehensive Care
Veterans Transitional Housing*
Pikeville, KY

\$375,000 grant, 25 rental units
Citizens National Bank of Paintsville,
Paintsville
Mountain Comprehensive Care Center,
Prestonsburg

Scott County

*Scott County Habitat for
Humanity 2010A*
Scott County, KY

\$148,479 grant, 3 owner-occupied units
Whitaker Bank, Lexington
Scott County Habitat for Humanity,
Georgetown

Spencer County

2010 Taylorsville Place Apartments
Taylorsville, KY

\$240,000 grant, 24 rental units
Citizens Union Bank of Shelbyville,
Shelbyville
Buckeye Community Hope Foundation,
Columbus

Warren County

Southern Hills East
Bowling Green, KY

\$239,760 grant, 24 rental units
Independence Bank, Owensboro
Housing Assistance aNd Development
Services Inc. (HANDS), Bowling Green

Southern Hills West
Bowling Green, KY

\$239,760 grant, 24 rental units
Independence Bank, Owensboro
Housing Assistance aNd Development
Services Inc. (HANDS), Bowling Green

Sunnydale Condominiums
Bowling Green, KY

\$299,000 grant, 30 rental units
Independence Bank, Owensboro
Parkland Manor Inc., Leitchfield

*HFH Bowling Green
Warren County 2010A*
Warren County, KY

\$146,935 grant, 3 owner-occupied units
PBI Bank, Louisville
Habitat for Humanity Bowling Green
Warren County Inc., Bowling Green

OHIO

Ashtabula County

A House of Blessing Ashtabula
Ashtabula, OH

\$500,000 grant, 10 rental units
Farmers National Bank, Canfield
Beatitude House, Youngstown

Athens County

Graham Drive Family Housing
Athens, OH

\$200,000 grant, 4 rental units
Hocking Valley Bank, Athens
Integrated Services for Youth Inc.,
Athens

Boone, Butler, Campbell, Clermont Counties

TriState Habitat for Humanity 2010A
Butler and Clermont Counties, OH, and
Boone and Campbell Counties, KY
\$246,769 grant, 5 owner-occupied units
Fifth Third Bank, Cincinnati
TriState Habitat for Humanity,
Cincinnati

Butler County

449 N. Third Street Rehab,
Hamilton, Ohio
Hamilton, OH

\$165,000 grant, 11 rental units
U.S. Bank N.A., Cincinnati
Sojourner Recovery Services, Hamilton

Clark County

2010 Hunter House PSH, Canton OH
Canton, OH

\$456,000 grant, 48 rental units
FirstMerit Bank N.A., Akron
Ruthe and Isadore Freed Housing Corp.,
Canton

Gateway House II PSH
Canton, OH

\$1,000,000 grant, 40 rental units
FirstMerit Bank N.A., Akron
Young Women's Christian Association of
Canton Inc., Canton

AFFORDABLE HOUSING PROGRAM 2010

Clark, Stark Counties

A-FIRST PSH for Families
Alliance, OH

\$192,000 grant, 10 rental units

KeyBank N.A., Cleveland
Alliance for Children and Families Inc.,
Alliance

Cuyahoga County

Denison Elderly
Cleveland, OH

\$437,500 grant, 61 rental units

U.S. Bank N.A., Cincinnati
Community Housing Resource
Partners Inc., San Antonio

Emerald Alliance V
Cleveland, OH

\$1,000,000 grant, 70 rental units

KeyBank N.A., Cleveland
Emerald Development and Economic
Network Inc., Cleveland

Emerald Alliance VII
Cleveland, OH

\$750,000 grant, 40 rental units

FirstMerit Bank N.A., Akron
Emerald Development and Economic
Network Inc., Cleveland

St. Clair Veterans Housing
Cleveland, OH

\$1,000,000 grant, 25 rental units

The Huntington National Bank,
Columbus
Volunteers of America of Greater Ohio,
Brecksville

Franklin County

Commons at Third
Columbus, OH

\$1,000,000 grant, 100 rental units

The Arlington Bank, Upper Arlington
National Church Residences, Columbus

CHN North 2010B
Columbus, OH

\$750,000 grant, 72 rental units

The Arlington Bank, Upper Arlington
Community Housing Network Inc.,
Columbus

VOAGO Columbus Veterans
Transitional Housing Project
Columbus, OH

\$550,000 grant, 50 rental units

The Huntington National Bank,
Columbus
Volunteers of America of Greater Ohio,
Brecksville

Greene County

West Davis Street Project
Green County, OH

\$50,000 grant, 2 owner-occupied units

The Huntington National Bank,
Columbus
Yellow Springs Home Inc., Yellow Springs

Hamilton County

2010 Dana Hotel
Cincinnati, OH

\$449,000 grant, 41 rental units

U.S. Bank N.A., Cincinnati
Tender Mercies Inc., Cincinnati

2010 Lighthouse on Highland,
Cincinnati, OH
Cincinnati, OH

\$420,000 grant, 28 rental units

CBank, Cincinnati
Lighthouse Youth Services, Cincinnati

FSFB Walnut Street Apartments
Cincinnati, OH

\$481,950 grant, 12 rental units

KeyBank N.A., Cleveland
Freestore Foodbank Inc., Cincinnati

Licking County

Welcome Home Veteran
Newark, OH

\$17,761 grant, 1 owner-occupied unit

Hopewell Federal Credit Union, Heath
Licking County Habitat for Humanity,
Heath

Marion County

2010 Monarch Place, Marion OH
Marion, OH

\$350,000 grant, 28 rental units

The Huntington National Bank,
Columbus
Marion Area Counseling Center, Marion

Montgomery County

2010B Valerie Arms of Dayton
Dayton, OH

\$214,254 grant, 14 rental units

KeyBank N.A., Cleveland
Miami Valley Housing
Opportunities Inc., Dayton

Preble County

Prestwick Square Fall 2010
Eaton, OH

\$639,600 grant, 32 rental units

Eaton National Bank and Trust Co., Eaton
New Housing Ohio Inc., Cincinnati

Seneca County

Ohio Avenue Spring 2010
Tiffin, OH

\$300,000 grant, 6 rental units

Fifth Third Bank, Cincinnati
New Housing Ohio Inc., Cincinnati

Warren County

Connie's Crossing Spring 2010
Lebanon, OH

\$850,000 grant, 17 rental units

Fifth Third Bank, Cincinnati
New Housing Ohio Inc., Cincinnati

TENNESSEE

Blount County

2010 Blount Community Build
Blount County, TN

\$105,000 grant, 14 owner-occupied units

Alcoa Tenn Federal Credit Union, Alcoa
Blount County Habitat for Humanity,
Maryville

Davidson County

Park Preserve 2010B
Davidson County, TN

\$1,000,000 grant, 40 owner-occupied units

Pinnacle National Bank, Nashville
Nashville Area Habitat for Humanity,
Nashville

Dickson County

Dickson Division 2010B

Dickson County, TN

\$224,991 grant, 9 owner-occupied units

Pinnacle National Bank, Nashville
Nashville Area Habitat for Humanity,
Dickson

Hamilton County

Chattanooga Infill 2010

Hamilton County, TN

\$142,917 grant, 6 owner-occupied units

FSGBANK N.A., Chattanooga
Habitat for Humanity of Greater
Chattanooga Area Inc., Chattanooga

Morgan, Scott Counties

2010-2011 Home Rehabilitation Project

Scott and Morgan Counties, TN

\$120,000 grant, 8 owner-occupied units

The First National Bank of Oneida,
Oneida
Appalachia Habitat for Humanity,
Robbins

Rutherford County

2010A Rutherford County

Habitat 2010-2013 Builds

Murfreesboro, Rutherford County, TN

\$600,000 grant, 24 owner-occupied units

MidSouth Bank, Murfreesboro
Rutherford County Area Habitat for
Humanity Inc., Murfreesboro

Scott County

2010 Special Project Build

Morgan and Scott Counties, TN

\$250,000 grant, 5 owner-occupied units

The First National Bank of Oneida,
Oneida
Appalachia Habitat for Humanity,
Robbins

Sequatchie County

Seniors at Home 2010-Senior

Village Phase 3

Dunlap, Sequatchie County, TN

\$798,362 grant, 16 owner-occupied units

Citizens Tri-County Bank, Dunlap
New Hope Construction Inc.,
Hendersonville

Shelby County

2010A Bearwater Park Phase II

Memphis, TN

\$195,000 grant, 13 rental units

First Tennessee Bank National
Association, Memphis
Oasis of Hope, Cordova

Summer 2010 Building Blitz

Shelby County, TN

\$75,633 grant, 3 owner-occupied units

Bank of Bartlett, Bartlett
Habitat for Humanity of Greater
Memphis, Memphis

Williamson County

2010 Williamson County Habitat

Franklin, Maury and Williamson
Counties, TN

\$237,462 grant, 12 owner-occupied units

Pinnacle National Bank, Nashville
Habitat for Humanity of Williamson
County, Brentwood

OUT-OF-DISTRICT PROJECTS

California

Connections

Los Angeles, CA

\$1,000,000 grant, 100 rental units

U.S. Bank N.A., Cincinnati
The Dream Center, Los Angeles

Michigan

2010 Goodwill Transitional Housing

Community for Homeless Veterans,

Otsego Co, MI

Gaylord, MI

\$360,000 grant, 24 rental units

The Huntington National Bank,
Columbus
Goodwill Industries of Northern
Michigan, Traverse City

Veterans Housing Program Detroit MI

Detroit, MI

\$600,000 grant, 60 rental units

The Huntington National Bank,
Columbus
Volunteers of America Michigan,
Lansing

Pennsylvania

2010/2011 Rehabilitation Project

Aliquippa, Beaver and Allegheny
Counties, Elizabeth, Evans City, Millvale,
New Kensington, Pittsburgh, Rankin,
Valencia, Verona, West Mifflin, PA

\$222,000 grant, 30 owner-occupied units

The Huntington National Bank,
Columbus
Hosanna Industries Inc., Rochester

Wisconsin

Johnston Center Residences New

Construction

Milwaukee, WI

\$429,000 grant, 43 rental units

U.S. Bank N.A., Cincinnati
Mercy Housing Lakefront, Chicago

Building Hope

Milwaukee, WI

\$1,000,000 grant, 100 rental units

U.S. Bank N.A., Cincinnati
Milwaukee Rescue Mission, Milwaukee

PROJECT PROFILES

Welcome Home: A Catalyst for Homeownership

The FHLBank's Welcome Home Program is the most widely used housing program.

Welcome Home is an easy-to-use program that directly helps members' customers purchase homes by providing grants up to \$5,000 per homebuyer to assist with down payment and closing costs. In order to receive a Welcome Home grant, most low- to moderate-income

homebuyers are required to provide \$500 of their own money and first-time homebuyers must take homebuyer counseling.

Members are eligible to receive a maximum of \$200,000 of Welcome Home funds per year on a first-come, first-served basis.



ASHLEY KAISER
CINCINNATI, OHIO



First-time homebuyer Ashley Kaiser, 23, Cincinnati, Ohio, received \$5,000 in Welcome Home funding when she worked with Senior Vice President-Mortgage Banking Joe Ventre at member institution Cincinnati Federal Savings and Loan Association. Ashley secured a 30-year fixed-rate mortgage on

a two-bedroom, two-and-a-half bath, two-car garage condo she purchased in April 2010. Joe told Ashley she qualified for the grant funding, which made her "ecstatic," she said, "especially since shortly after I moved in, the furnace and A/C units quit working, which meant I needed money right away for repairs." Without Welcome Home,

Ashley said, "my first months in the new condo would have been really tight financially. But thanks to the program, everything worked out great."

Historically, all Welcome Home funds have been reserved by FHLBank members within two months of the program's opening, typically in March of each year. In 2010, \$10.1 million was disbursed to 164 members benefitting 2,147 homebuyers. Each year, the FHLBank allocates 10 percent of net earnings for the Affordable Housing Program (AHP) and up to 35 percent of that allocation is used to fund Welcome Home.



**DONNA AND ROY HACKWORTH
ALVATON, KENTUCKY**



Happily married for 42 years, Donna and Roy Hackworth, 61 and 66, respectively, enjoyed being on the move the past 12 years. They rented apartments the past six years, and for six years prior, they lived in an RV as they traveled the country.

When the rent on their apartment began to increase, however, Navy veteran Roy started thinking that buying a home might be a good move financially. "I know our friends wondered if I was crazy," said Roy. "But my thought was that if something happened to me, Donna would live somewhere where the payment would never go up." The retired General Motors employee set his sights on a two-bedroom, one-bath home that he and Donna purchased in June 2010.

The Hackworths selected FHLBank member institution PBI Bank, Bowling Green, Kentucky from the Yellow Pages to get pre-approved for the loan. Chief Lending Officer-Secondary Market Division Travis Keller became the couple's contact. Familiar with the Welcome Home guidelines, Travis identified Donna and Roy as eligible to receive program funding of \$5,000.

"We think of Travis as our guardian angel," Donna said. "Working with him was incredible. Frankly we can't believe everything fell into place like it did when it came to purchasing our home."

"I appreciate the kind words," responded Travis, when informed of the glowing review. "Welcome Home has been a help to PBI Bank as well. Our offering of the program last year brought our bank more business, provided local Realtors with additional clients, and gave the community a leg up on account of the new homeowners. Thanks to Welcome Home, we helped turn several long-time renters into first-time homeowners."

PROJECT PROFILES

Additional Programs

Additional FHLBank programs are available to members to support their investment in housing and community and economic development: the Community Investment Program, Economic Development Program and Zero Interest Fund.

Community Investment Program (CIP) Economic Development Program (EDP)

The CIP and EDP encourage members to increase their involvement in housing and community-based economic development activities in their communities. Both programs provide a discount off regular FHLBank Advance rates.

The CIP provides favorable financing for the acquisition, construction, refinancing or rehabilitation of owner-occupied and rental housing. It also provides financing for community economic development activities that are located in specifically-defined areas or provide jobs or benefits to those below a certain median income threshold.

The EDP is used for job creation- and retention-related activities or other economic development activities described as commercial, industrial, manufacturing, social service, or public facility projects and activities, as well as public or private infrastructure projects such as roads, utilities, and sewers.

Zero Interest Fund (ZIF)

The ZIF supports community economic development and housing activity by providing “early-in” resources for residential, commercial, and industrial real estate-related projects. It can be used for costs associated with, for example, land acquisition, packaging services, appraisals, architectural drawings, consulting fees, engineering fees, environmental testing, feasibility analyses, legal costs, licensing and permit fees, market studies, infrastructure, and other expenditures normally associated with the development of residential, commercial or industrial real estate-related projects. Funds are provided to members and to projects at zero interest for up to two years.

In 2010, \$115 million in CIP/EDP/ZIF funding was approved through 25 member institutions. Funding for all three programs is available during the year through a simple application process.



Through a \$200,000 Community Investment Program (CIP) Advance, FHLBank member Citizens Bank Company, Beverly, Ohio, financed the April 2010 purchase of a 2009 Pierce International Tanker/Pumper Fire Truck with a 2,000-gallon capacity for the Beverly Volunteer Fire Department. The department has served the Beverly and Waterford communities since 1883 and was interested in adding water capacity to keep up with two new subdivisions that do not have adequate water supply in case of fire. This project helped improve vital public safety services necessary for economic development.

CITIZENS BANK COMPANY
BEVERLY, OHIO
FHLBANK CIP

Housing and Community Investment Department



For more information on the FHLBank's housing and community investment programs, please contact any of the following staff members:

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Community Lending Programs guide

Objective	Uses	Beneficiaries	Types of Funding	Terms/ Conditions	Application Deadlines
AFFORDABLE HOUSING PROGRAM (AHP)					
Create owner-occupied and rental housing for low- and moderate-income persons.	Finance acquisition, rehab or new construction of owner-occupied or rental housing.	Persons with incomes at or below 80% of HUD MTSP Income Limits.	Grants.	Competitive Program. Must meet regulatory guidelines.	April 15 and September 1.
WELCOME HOME PROGRAM (WELCOME HOME)					
Assist low- and moderate-income families to become homeowners.	Provide Members with downpayment and closing costs for owner-occupied housing.	Households with incomes at or below 80% of state housing finance agency Mortgage Revenue Bond (MRB) Income Limits.	Grants up to \$5,000 per unit.	Program requirements apply, including five-year deed restriction.	First-come, first-served basis beginning March 1 each year until available funds are fully reserved.
CAROL M. PETERSON HOUSING FUND					
Improve accessibility for mobility restricted homeowners requiring the use of wheelchairs.	Grants for materials for building ramps.	Homeowners and other household members with permanent mobility restrictions requiring the use of wheelchairs.	Grants up to \$2,000 for materials plus 10% administrative fee.	Eligibility based on income and mobility restriction; Member limits.	First-come, first-served basis until available funds are fully reserved.
COMMUNITY INVESTMENT PROGRAM (CIP)					
Promote community and economic development and job creation/retention.	Owner-occupied or rental housing or economic development in federally designated areas and neighborhoods with incomes at or below 80% of HUD area median income (AMI).	Rental or Owner-occupied housing; Income up to 115% of HUD AMI. Commercial or community development in federally designated areas or in neighborhoods with incomes at or below 80% of AMI.	Discounted loans.	Income eligibility requirements. Eligibility requirements for Members.	Open window, subject to the availability of funds.
ECONOMIC DEVELOPMENT PROGRAM (EDP)					
Promote local economic development and job creation/retention.	Finance commercial, industrial, agricultural, small business, public facilities, day care, and infrastructure.	Small/large businesses, local jurisdictions.	Discounted loans.	Income eligibility qualifications may apply.	Open window, subject to the availability of funds.
ZERO INTEREST FUND (ZIF)					
Promote housing and business development; job creation/retention.	Fund early-in costs for housing, commercial and industrial real estate-related projects located in Kentucky, Ohio and Tennessee.	Businesses and housing.	Zero interest funding for 24 months (18 months for housing projects).	Maximum amount of \$100,000.	First-come, first-served basis; Members limited to one project approval per calendar year.





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