



Investing in Neighborhoods.

When the FHLBI, its member financial institutions and their partners work together to obtain an Affordable Housing Program grant or a low-cost loan through the Community Investment Program, watch what happens. Better and more affordable homes are built, existing homes are renovated, businesses move in or expand, and infrastructure is improved. The effect of these dollars then multiplies as more jobs are created, increasing both household income and tax revenues – all the necessary ingredients for vibrant neighborhoods.

2011 AFFORDABLE HOUSING ADVISORY COUNCIL



On the cover

Rickman House, a former hotel in Kalamazoo, MI has been converted into 49 efficiency apartments for residents with special needs. First National Bank of Michigan obtained a grant from the FHLBI's Affordable Housing Program and partnered with Housing Resources, Inc. to complete the rehabilitation.



FRONT LEFT TO RIGHT

Jacquelyn Dodyk – Executive Director, Affordable Housing Corp., Marion, IN; **J. Jacob Sipe** – Director Multi-Family Manager, Indiana Housing and Community Development Authority, Indianapolis, IN

MIDDLE LEFT TO RIGHT

Jack Brummett – *Vice Chair*, Senior Vice President, Great Lakes Capital Fund, Indianapolis, IN; **Michelle LaJoie** – *Chair*, Housing Assets Director, Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc., Sault Ste. Marie, MI

BACK LEFT TO RIGHT

Sally Harrison – Director, Rental Development and Homeless Initiatives, Michigan State Housing Development Authority, Lansing, MI; **Jamie Schriner-Hooper** – Executive Director CEDAM, Lansing, MI; **Marc Craig** – President, Community Housing Network, Troy, MI; **Timothy Lemanski** – CEO of Kalamazoo Neighborhood Housing Services, Inc., Kalamazoo, MI

NOT PICTURED

James Davis – VP Finance/CFO, LaCasa, Inc., Goshen, IN; **Sage Hales** – Executive Director, Hamilton County Area Neighborhood Development, Inc., Noblesville, IN; **Rev. Adrian Brooks Sr.** – Chief Executive Officer, Memorial Community Development Corp., Evansville, IN

2011 BOARD OF DIRECTORS AFFORDABLE HOUSING COMMITTEE



SEATED LEFT TO RIGHT

James Logue III – Senior Vice President & COO, Great Lakes Capital Fund, Lansing, MI; **Larry Swank** – President & CEO, The Sterling Group, Mishawaka, IN

MIDDLE LEFT TO RIGHT

Elliot Spoon – Assistant Dean for Career Development & Professor of Law in Residence, Michigan State University College of Law, East Lansing, MI; **Christine Coady Narayanan** – President & CEO, Opportunity Resource Fund, Lansing, MI

BACK LEFT TO RIGHT

Jonathan Bradford – *Vice Chair*, President & CEO, Inner City Christian Federation, Grand Rapids, MI; **Carl Liedholm** – Professor of Economics, Michigan State University, East Lansing, MI; **Mike Hannigan** – *Chair*, President, The Hannigan Company, LLC, Indianapolis, IN

Message from the Advisory Council Chair

During 2011, the Advisory Council continued to look for ways the FHLBI's affordable housing and community investment programs can better the lives of individuals and families throughout Indiana and Michigan.

Active discussions among members of the Council, the Board's Affordable Housing Committee and FHLBI staff at each quarterly meeting allowed us to become more knowledgeable about critical housing needs in our district. We learned about land bank initiatives in each state from guest speakers who presented their efforts to deal with vacant and abandoned housing. We also discussed the critical needs in Detroit as local leaders work to address housing and community development challenges. Other public policy issues considered during Council meetings included sustainability of funding for foreclosure counseling, changing prices for low-income housing tax credits, and future funding allocations given budget cuts at the federal level.



Michelle LaJoie

The Federal Housing Finance Agency's annual leadership forum with Council leaders from all 12 Federal Home Loan Banks presented an excellent opportunity to review FHLBank System issues. Those attending learned more about activities on Capitol Hill related to the System and how Council leaders can best communicate the System's effective funding of housing and community investment.

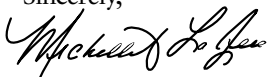
One of the Council's most important goals each year is to ensure programs are meeting the needs of FHLBI members and the organizations they work with. The Council and community investment staff developed 2011 goals for targeted community lending, including efforts to broaden the impact of AHP and CIP through focused outreach and training workshops. To that end, the FHLBI's community investment and marketing staff teamed up to offer six regional workshops, up from four events in 2010. We were pleased that ten AHP applications were received from eight members using AHP for the first time or who had been inactive users. Seven members became new set-aside participants.

Looking ahead to 2012, a subcommittee of the Council joined with the Affordable Housing Committee of the Board of Directors to develop the 2012 AHP Implementation Plan. New scoring initiatives relate to aging in place, comprehensive community development and projects' readiness to proceed.

Perhaps the best aspect of being a Council member is seeing firsthand how AHP grants are helping to create quality homes for those who need them. In May, the Council and the FHLBI's Board of Directors toured two affordable senior housing projects in Pendleton, IN and Anderson, IN. During the tour, I was particularly moved by the sense of community that residents feel. Each resident that we met, regardless of their economic background, was proud to show us his or her home.

I was honored to lead the Advisory Council and value the relationships that were built or strengthened during the year. The success of the Affordable Housing Program and Community Investment Program depends on all of us – the Council, the Board of Directors, member financial institutions and their community partners – working together to keep these important programs investing in neighborhoods.

Sincerely,



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

Message from the President

The FHLBI values the important role the Affordable Housing Program (AHP) and Community Investment Program (CIP) continue to play in supporting affordable housing, economic development and jobs throughout Indiana and Michigan.

Grant requests for our AHP typically outnumber dollars available, and funds for the homeownership and rehabilitation set-aside programs are generally fully disbursed well before the end of the program year. This attests to the extensive housing needs in our district and our high level of member interest in those programs. Use of our Neighborhood Impact Program was particularly strong in 2011. Of the seven new users of our set-aside programs, four requested NIP dollars for the first time. The program disbursed over \$3.5 million to assist homeowners with home repairs and renovations.

Our CIP is a low-cost lending program that serves as a catalyst for economic development because it supports projects that create and preserve jobs, as well as help build infrastructure to support growth. CIP's flexibility, ease of use, advantageous pricing and terms make it an excellent tool for financing single- or multi-family housing, expanding small businesses, and infrastructure, such as schools, fire stations, sewers or bridges.

The Center for Family Health in Jackson, MI, featured in this report is an excellent example of the types of initiatives CIP can support. FHLBI member County National Bank obtained the CIP advance to help build the \$9 million, 50,000 square foot facility allowing the Center to consolidate several medical clinics into one state-of-the-art facility. Moreover, the new health center not only supported the local economy by initially adding construction jobs, but will also create up to 75 new jobs over the next five years.

Congratulations to Charlotte Edwards, Assistant Vice President and Community Development Officer at Citizens Bank in Flint, MI and Randy Williams, President/CEO of Lafayette Savings Bank in Lafayette, IN, who received 2011 Community Spirit Awards. Their work to improve housing conditions for their customers is truly inspiring.

The Affordable Housing Advisory Council under the capable leadership of Michelle LaJoie worked throughout the year to improve our programs so they in turn might help to increase quality housing choices and revitalize urban and rural areas. We value the relationship with our members, the Council, and other partners as we work toward our common goal of improving housing and communities in Indiana and Michigan.

Sincerely,



Milton J. Miller
President - CEO



Milton J. Miller
President - CEO

Our Neighborhood Programs

As Michigan and Indiana worked through the challenges of a slow economic recovery, FHLBI members delivered valuable funding and support to their communities by fully using all of the FHLBI's community investment programs. These programs allow members to respond to the housing needs of their communities, one household or one housing project at a time. Members assisted homeowners to rehabilitate their homes, offered down payment assistance to first-time homebuyers and purchasers of homes impacted by foreclosure and supported the development of rental housing for vulnerable households, including the homeless. The FHLBI's private funds provided public benefit by leveraging other funding sources to produce both housing and jobs. The Affordable Housing Advisory Council brings community expertise, vision and dedication to the creation of our community investment goals. We wish to thank our members on behalf of the Council for their enthusiastic use of these programs to contribute to the economic resurgence of the district.

Affordable Housing Program (AHP)

In a single 2011 application round, FHLBI awarded \$13.2 million in AHP subsidy to 24 projects developing or preserving 604 units of affordable rental and homeownership housing. Twenty-five members submitted 46 applications. Five of the awards were to first-time applicants to the program, including two insurance company members.

Homeownership Initiatives

In the 2011 program year, \$5.3 million was disbursed as down payment and closing cost assistance or homeowner rehabilitation grants through Homeownership Opportunities Program (HOP), Neighborhood Impact Program (NIP) and Neighborhood Stabilization Assistance (NSA). These funds were disbursed through 72 members to help 754 individuals and families become homeowners or maintain their homes. Seven members became new program participants in 2011.

In 2011, NIP disbursements were 66% of the set-aside disbursements, a trend that has been accelerating in recent years. As homeowners in Indiana and Michigan have seen their home values impacted by foreclosures in their neighborhoods and a depressed housing market, NIP grants have assisted them with much needed repairs including roof, window and furnace replacement, weatherization or insulation or handicap accessibility alterations.

Community Investment Program (CIP)

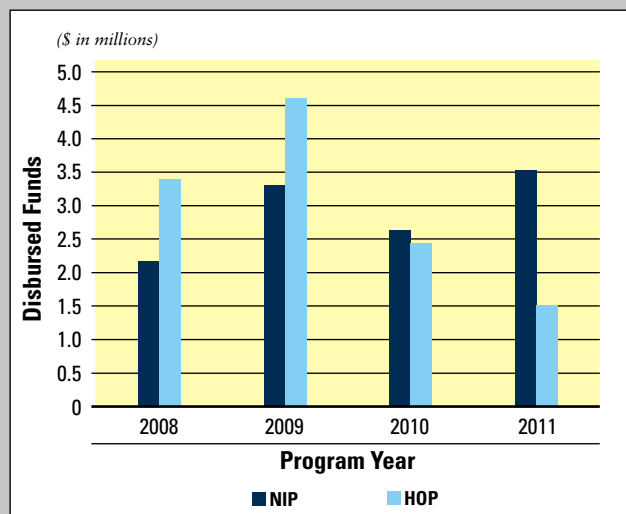
In 2011, CIP originations totaled \$79.2 million. Advances totaled \$48.1 million and letters of credit, including interest totaled \$31.1 million. More than 250 jobs will be created or retained as a result of the 2011 CIP projects.

FHLBI AHP, Homeownership, CIP Initiatives Summary 2007-2011

(\$ in millions)

YEAR	2007	2008	2009	2010	2011
AHP SUBSIDY	\$ 9.1	\$ 9.6	\$ 14.9	\$ 10.5	\$ 13.2
AHP UNITS	871	566	926	846	604
HOP/NIP SUBSIDY	\$ 4.3	\$ 5.7	\$ 8.1	\$ 5.7	\$ 5.3
HOP/NIP UNITS	1,549	1,113	1,425	832	754
CIP	\$ 133.3	\$ 160.5	\$ 67.0	\$ 119.4	\$ 79.2

Homeownership Initiatives



Community Investment Program

The Community Investment Program (CIP) offers below-market rate advances to members for long-term financing for housing and economic development benefiting low- and moderate-income families and neighborhoods. It is designed as a catalyst for economic development to support projects creating and preserving jobs and helping build infrastructure to support growth.

Members use CIP to fund owner-occupied and rental housing, construct and rehabilitate retail and commercial projects and provide small business loans.

“The Center for Family Health had offices and services throughout the area and were interested in consolidating in a single building closer to public transportation and the clientele they serve. They weren’t a customer of County National, but thanks to CIP we were able to put together a competitive proposal. It’s really a feather in our hat to be able to partner with them on such an important project.”

Dave Kreger – Commercial Loan Officer for County National Bank Hillsdale, MI



Center for Family Health JACKSON, MI

The Center for Family Health in Jackson, MI consolidated several of its clinics into one new facility in the downtown area to better serve its clients. The Center offers primary care and dental services, as well as women’s health services and a pharmacy. FHLBI member County National Bank obtained a CIP advance to help finance the 50,000 square foot facility.

Center for Family Health

The Center for Family Health provides health care for over 24,000 Jackson area residents. With the consolidation of several locations into one building in downtown Jackson, MI, residents have increased access to quality, affordable, coordinated primary and preventive health care, all under one roof.

The Center for Family Health has been providing community-based health care in Jackson for 20 years. It began as the Center for Healthy Beginnings in 1991 to help reduce Jackson County’s high infant mortality rate by offering prenatal, maternal, and infant support services. In 1994, primary care services were added and the name was changed to the Center for Family Health to reflect the expanded range of services. Later, the Center added pediatrics and internal medicine providers, followed by dental providers.

The Center for Family Health building provides an expanded, cost-effective facility to better serve a growing patient population. It houses more than 60 medical exam rooms, 14 dental operatories, classrooms for health education training, an on-site diagnostic center for labs and x-rays, a pharmacy, and an information center for health coverage programs.

Building construction was made possible by stimulus funding under the American Recovery and Reinvestment Act, which the Center for Family Health received in 2009, as well as a \$10.7 million capital campaign that generated federal matching funds. County National Bank provided construction financing of \$5,000,000 using FHLBI’s CIP, which also created and retained many jobs.

Boys & Girls Club

With the generous donation of two downtown buildings on Main Street in Berne, IN, the First Bank of Berne kicked off a community capital campaign to raise the funds necessary to renovate space for the expansion of the Berne Chapter of the Boys and Girls Club of Adams County. The bank originally purchased the buildings in 2004 for a possible operations center but eventually decided that it didn't need them. The local Boys and Girls Club had expressed an earlier interest in the buildings when it was looking to expand, so the bank decided to donate them to the organization.

The First Bank of Berne further contributed to this project by using an FHLBI Community Investment Program advance of \$350,000 to finance a portion of the rehabilitation of the space. With permission from the bank, the club sold one building that was less suited to its needs, which further helped to finance the renovations.

The new site allows the club to offer more programs to more children. The building renovations were completed in June 2011. Average daily attendance is 85 to 110 members who attend program after school, in the evenings and during the summer.



Boys & Girls Club BERNE, IN
The Boys & Girls Club of Adams County has two reasons to thank FHLBI member First Bank of Berne. The bank donated the building and obtained a CIP advance to help finance the renovations. With the new location in downtown Berne, the club can serve more children and extend its service offerings.



“Our kids and community have been extremely blessed by the First Bank of Berne and their investment in the lives of our future – our kids!”

Christen Sprunger – Executive Director,
Boys & Girls Club of Adams County
Berne, IN

Affordable Housing Program

Projects supported with AHP awards embraced FHLBI's priorities of member financial involvement, special needs supported by services, economic diversity, quality of life, and green development or rehabilitation. Signs of the economic recovery were noted in a return to more normal development funding as the federal stimulus programs came to a close at the end of 2011.

Quincy Haven Offers Supportive Housing

Quincy Haven Apartments is a dream that began to take shape with the formation of the Hancock Housing Foundation. After many hours of hard work and tremendous perseverance, a beautiful three-story, 24-unit addition to an existing senior and affordable housing development in Hancock, MI was constructed. Several applications for grants and tax credits were required to assemble the necessary funding for the \$4.9 million project, including an AHP award of \$171,379 from Range Bank in Negaunee.

Gail Ross, Executive Director of the Hancock Housing Commission and Chair of the Foundation, said that a \$3.5 million boost from the American Recovery and Reinvestment Act of 2009 brought the final funding together. Because she faced health issues during its construction, Ross said the completion of the building and opening of the apartments were especially important for her.

Quincy Haven opened in August 2011 with an extensive waiting list. All of the one- and two-bedroom units have special amenities including wider doorways, pocket doors, walk-in or roll-in showers, ceiling tracks for lifting devices in the bedrooms and washers and dryers. Resident services are coordinated by a Housing Commission staff person with various agencies, including Superior Alliance for Independent Living, Western Upper Peninsula Health Department, Copper Country Mental Health and Superior Home Nursing.



Quincy Haven HANCOCK, MI

The need for barrier-free housing and housing with supportive services in Michigan's western upper peninsula has increased dramatically over the past ten years. The Hancock Housing Foundation received an AHP grant of \$171,379 from Range Bank in Negaunee to support the construction of a 24-unit addition to an existing building.

Duplexes Renovated with AHP

South Bend Heritage Foundation, Inc. used an AHP award of \$585,000 from Lake City Bank to extensively renovate Heritage Homes Southeast in South Bend, IN. Originally constructed in 1994, the apartments were showing signs of wear with rusty back doors, cracked vinyl siding and worn out kitchen cabinets and bathroom vanities. The apartments now have new roofs, windows, doors, bathrooms and kitchens and interior finishes. Energy conserving improvements maximize resident comfort and minimize utility costs. A home just south of the project was rehabilitated for use as a community room by residents of Heritage Homes Southeast and the surrounding neighborhood.

Designed to resemble single-family structures from the street to mirror other neighborhood homes, the two- and three-bedroom duplexes face the street while the rear of the duplexes opens up to backyard green space, a parking lot and play areas. The housing is within walking distance of businesses, supportive services offices

and downtown South Bend. The renovation of Heritage Homes Southeast helps to maintain the stability of the southeast neighborhood and meet the need for affordable housing in a convenient location.



Heritage Homes SOUTH BEND, IN

South Bend Heritage Foundation received an AHP grant of \$585,000 through FHLBI member Lake City Bank to renovate duplexes in the Heritage Homes Southeast neighborhood. The apartments received new roofs, windows, doors, bathrooms and kitchens and interior finishes.



Mel Trotter GRAND RAPIDS, MI

A \$500,000 AHP grant from Mercantile Bank of Michigan helped to create or rehabilitate 92 beds and units of transitional housing for very low-income women and their children. The Mel Trotter Ministries project addresses a critical need in the community by providing housing with supportive services, as well as solutions to homelessness.



Residents at Mel Trotter are provided space for classes, laundry, exercise, child learning and play, computers, and fellowship.

111-year-old Mission Can Help More Families

The Mel Trotter Women’s Transitional Housing project in Grand Rapids, MI created seven new living quarters and rehabilitated existing beds and units for very low-income women and their children. An AHP grant of \$500,000 through Mercantile Bank of Michigan helped to fund the initiative.

New residents are housed in semi-private rooms on the second floor and progress to private rooms on the third floor as they advance in the program. Space for classes, laundry, exercise, child learning and play,

computers, and fellowship are the core of each floor. On the fourth floor, major renovations created seven units suitable for families with children, with the mother in one bedroom and the children in another. Each family has a private living room and bathroom. Supportive services include case management, on-site maintenance, food service, drug/alcohol counseling, employment training credit counseling, and financial literacy. This allows debts to be resolved and rent deposits to be saved, so the family can eventually live independently.

2011 Affordable Housing Program Awards

Indiana

BLOOMINGTON

Housing Options II - \$745,000
Indiana University Credit Union
Sponsor: Options for Better Living
10 Rental Units

Housing Options II is new construction of 10 units on land donated anonymously. The project consists of two duplex structures and a separate, 6-unit group home for a total of 10 units.

Patterson Pointe Senior Residence - \$500,000
Merchants Bank of Indiana
Sponsor: Miller-Valentine Patterson Pointe Senior Residence, LLC
61 Rental Units

Patterson Pointe will provide 61 one- and two-bedrooms apartments for seniors on property reclaimed through the demolition of a former lumberyard. The building features a community room with computer and internet connection, fitness room, and secured entrances.

COLUMBUS

United Senior Residence - \$500,000
Merchants Bank of Indiana
Sponsor: United Senior Residence, LLC
63 Rental Units

The project is a 63-unit senior apartment complex to be constructed on the site of the vacated Arvin-Meritor commercial complex. The project incorporates several green building initiatives, including environmentally friendly landscaping with the retention/recycling of rainwater for the plantings and various energy efficient initiatives.

CORYDON

Stepping Stone Apartments - \$400,000
First Harrison Bank
Sponsor: Blue River Services, Inc.
7 Rental Units

Stepping Stone apartments is a small, 7-unit permanent supportive housing project. The apartments will provide safe, decent housing for homeless young adults, ages 17-25.

GARY

South Shore Commons - \$750,000
Citizens Financial Bank
Sponsor: Edgewater Systems for Balanced Living, Inc.
60 Rental Units

South Shore Commons is a 60-unit 2-story apartment building serving the homeless population. This is a collaborative effort between Edgewater Systems for Balanced Living, Inc. and Broadway Area CDC and will provide supportive services to the formerly homeless and special needs tenants.

GEORGETOWN

The Villas of Guerin Woods - \$643,000
MainSource Bank
Sponsor: Guerin, Inc.
15 Rental Units

These homes provide permanent supportive, aging-in-place housing for individuals 62 and older. Each of the two 7,100 square-foot villas will include bedrooms with private handicapped-accessible bathrooms, living room, open kitchen and dining area, laundry facilities, therapy/exercise room, hair salon, patio, and flower and vegetable gardens.

GREENFIELD

Stonehurst Pointe III - \$708,000
First Merchants Bank, N.A.
Sponsor: Milestone Ventures, Inc.
8 Rental Units

This project is the third phase of an existing senior housing project that will add an additional 8 two-bedroom units to the limited supply of affordable rental apartment options for seniors in the Greenfield area. The development is located near retail/shopping, medical services and other senior services.

INDIANAPOLIS

Burton Apartments - \$750,000
National Bank of Indianapolis
Sponsor: Partners in Housing Development Corp.
23 Rental Units

The Burton has 23 efficiency units that serve low-income persons, most with special needs. The building will be completely remodeled with replacement of the stucco exterior, windows and heating and air conditioning units. The apartments will have new kitchen cabinets, appliances, fixtures, and flooring.

The Guerin Apartments - \$750,000
National Bank of Indianapolis
Sponsor: Partners in Housing Development Corp.
19 Rental Units

This project involves the historic rehab of an apartment building originally constructed around 1912. Formerly a Catholic convent and a school for girls, Guerin Apartments contain one-bedroom and studio apartments, serving low- to moderate-income individuals.

MARION

EverGreen Homes - \$647,000
Mutual Bank
Sponsor: Affordable Housing Corp. of Marion, IN
10 Rental Units

EverGreen Homes involves the construction of 5 two- and three-bedroom duplexes for area families. The neighborhood will have a community garden with individual spots reserved for EverGreen residents to have their own garden plot.

MISHAWAKA

Mishawaka River Center Apartments - \$305,482
1st Source Bank
Sponsor: Mishawaka Housing Authority & Community Development
27 Rental Units

River Center Apartments, located on the banks of the St. Joseph River, is the redevelopment of the former Mishawaka High School. The one- and two-bedroom units will have unique floor plans with high ceilings and large windows and will be marketed to elderly residents.

NORTH LIBERTY

North Liberty Senior Housing - \$390,000
1st Source Bank
Sponsor: Housing Assistance Office, Inc.
10 Rental Units

North Liberty Senior Housing consists of 5 duplexes for low- to moderate-income seniors that will provide much needed housing for elderly and/or handicapped individuals or couples whose current living situation does not meet their changing needs due to aging or physical disabilities.

PAOLI

Phoenix on the Square - \$750,000
Old National Bank
Sponsor: Hoosier Uplands Economic Development Corp.
12 Rental Units

Phoenix on the Square is a mixed-use redevelopment that will provide 12 affordable units and retail space. This initiative redevelops an area decimated by fire and complements the comprehensive community revitalization efforts underway in this community.

SCOTTSBURG

Craig Park - \$750,000
Merchants Bank of Indiana
Sponsor: Scottsburg Senior Housing Corp.
48 Rental Units

This project consists of a rehab of an existing 48-unit rural development senior apartment project. Rehabilitation of the one-bedroom units will update major systems, address accessibility issues, and improve energy efficiency, providing affordable, energy-efficient units for seniors.

SHERIDAN

Spicewood Garden Apartments II - \$345,000
Merchants Bank of Indiana
Sponsor: Hamilton County Area Neighborhood Development
26 Rental Units

Spicewood Garden Apartments II is 26 units of affordable housing for seniors age 55 and over. These apartments will provide much-needed affordable homes for senior in Hamilton County.

SOUTH BEND

Heritage Homes Southeast Rehab - \$585,000
Lake City Bank
Sponsor: South Bend Heritage Foundation
54 Rental Units

The 54 two- and three-bedroom units of the Heritage Homes Southeast Rehab project in the historic district of South Bend will be substantially rehabbed. Energy-efficient appliances and heating and cooling systems, along with full kitchen and bath upgrades, will ensure this community serves low-income families for an additional 15 years.

Scattered Sites in St. Joseph County - \$103,450
1st Source Bank
Sponsor: Habitat for Humanity of St. Joseph County
10 Homeownership Units

Ten Habitat for Humanity homes in South Bend and Mishawaka will be constructed on scattered sites in St. Joseph County. The three- and four-bedroom homes will provide much-needed housing for low-income families.

Michigan

ANN ARBOR

Pauline Apartments - \$750,000
Chelsea State Bank
Sponsor: Avalon Nonprofit Housing Corp.
32 Rental Units

This supportive housing project involves the demolition of obsolete housing and reconstruction of a 32-unit apartment building for special needs tenants. The rehabilitation features an extensive Green Building Initiative that includes energy-efficient components; an environmentally friendly landscaping project that recycles/reuses rainwater for plantings; and the use of recycled construction materials.

DEARBORN HEIGHTS

Shepherd Hall Studio Apartments - \$750,000
Amerisure Mutual Insurance Co.
Sponsor: Vista Maria
22 Rental Units

The dorm-style transitional housing program's 22 units will provide housing to young women who will be aging out of the foster care system. Shepherd Hall will provide supportive services needed to bridge the gap between life in and out of residential and foster placements to self-sufficient young women living independently.

GAINES

Dorothy's Way - \$60,000
Citizens Bank
Sponsor: Habitat for Humanity of Genesee Co.
4 Homeownership Units

Genesee County Habitat for Humanity will build 4 homes for low-income families on 10 acres of land donated by the family of Dorothy Bellinger. The homes are in rural Genesee County, bringing economic diversity to the higher income area.

GRAND RAPIDS

Bethany Children's Homes - \$720,000
Macatawa Bank
Sponsor: Bethany Christian Services
45 Rental Units

Bethany Children's Homes will be updated to provide necessary services in a home-like environment for children who are homeless or victims of abuse or neglect, as well as older children aging out of foster care. Supportive services will include foster and residential care, adoption, counseling and family preservation.

HOLLAND

Benjamin's Hope - \$750,000
The Bank of Holland
Sponsor: Benjamin's Hope
8 Rental Units

This project is the first phase of a rural farming campus designed for autistic persons, with 2 group homes for 8 residents. Each home contains 4 efficiency units, with common living space and kitchen, staff space and a 2-car garage. This phase includes infrastructure improvements to the 38-acre site.

LANSING

Habitat Lansing's Green Community - \$130,000
Jackson National Life Insurance Co.
Sponsor: Habitat for Humanity Lansing
6 Homeownership Units

Six homes for low-income families will be built on 2.4 acres acquired from the Ingham County Land Bank. The homes will utilize green building technology with many energy-efficient components and features, providing lower operating and maintenance costs to homeowners.

PONTIAC

Palmer Pointe Townhomes - \$465,000
Citizens Bank
Sponsor: Community Housing Network, Inc.
24 Rental Units

Palmer Townhomes will be a development of 24 affordable townhomes, which will increase affordable and accessible housing, promote community development, and attain community stabilization for low-and medium-income families. Nine of the units will be set aside as supportive housing for people with disabilities.

Homeownership Initiatives

Requirements and amounts for the Homeownership Opportunities Program (HOP), the Neighborhood Impact Program (NIP) and Neighborhood Stabilization Assistance (NSA) vary but grants are typically \$3,000 to \$10,000 per household. Households must be at or below 80% of the area median income to qualify and working either directly with an FHLBI member institution or a member in association with a nonprofit housing agency.

Initiated to complement the original first-time homebuyer down payment and closing cost assistance program, NIP has been responsive to district needs and is even more relevant in the current economic environment, as evidenced by recent NIP usage.

Rehabilitated homes provide neighborhood stability and often help to keep seniors in their homes longer. Although the program regulation requires at least one-third of FHLBI's homeownership set-asides be made available for first-time homebuyers, NIP has become the program of choice. Members are able to respond to the needs of their existing mortgage customers and to work with local governments and other housing partners to maintain and improve owner-occupied single-family housing in their communities.

Members Partner to Make a Difference

MaryJo Chaperon, AVP of First National Bank of Iron Mountain (FNBIM), has been taking care of her mortgage customers and the community through the use of FHLBI's Homeownership Initiatives for the past five years. She consistently hits the annual \$300,000 program limit for NIP in her efforts to help homeowners make needed repairs to their homes. Since 2007, Chaperon and FNBIM have been responsible for bringing over \$1.2 million in repairs to 149 local low- and moderate-income homeowners.

When her competitor in nearby Norway, Ann Adams, Consumer Loans/Collection Officer for First National Bank of Norway (FNBN is not affiliated with FNBIM), called to ask about these programs, Chaperon

encouraged FNBN's participation. As Chaperon says, "It's really a team effort to support the community. What was first assigned to me as a job has now become my passion." When she hit FNBIM's program limit, she referred several homeowners to the FNBN. In 2011, both members reached the program limit, doubling the available resources and assisting 80 homeowners.

Chaperon also uses the HOP to offer down payment assistance to her mortgage customers. She meets with local realtors to inform them of HOP, but the real buzz in Iron Mountain and Norway is grant money available that will allow qualified homeowners to do repairs and improvements they otherwise might not be able to afford.



Lidbeck Family IRON MOUNTAIN, MI
First National Bank of Iron Mountain has helped 149 area homeowners make improvements such as new windows and siding.



Linde Family HOLLAND, MI
FHLBI member Macatawa Bank accessed NIP dollars to enable homeowners to repair and renovate their homes.

Homeowners in Kokomo, IN Benefit from HOP & NIP

Solidarity Community Federal Credit Union in Kokomo, IN, has been offering FHLBI's Homeownership Opportunity Program (HOP) down payment assistance to first time homebuyers since 2005. DeAnna Holloway, Solidarity Community's Vice President of Mortgage Lending and her staff have used HOP to create a marketing campaign with local realtors for Solidarity Community's own First Time Homebuyer program, assisting 88 households. With a solid track record in HOP, in 2011 the credit union was ready to venture into the homeowner rehabilitation business and began offering the Neighborhood Impact Program (NIP). Holloway said, "We contacted other experienced members to set up internal procedures and learn processing tips. It was great working with FHLBI staff." Through word of mouth and connections with local realtors, 33 homeowners saw their homes rehabilitated with



O'Neal Family RUSSIAVILLE, IN

Solidarity Community Federal Credit Union was a first-time NIP user in 2011, helping homeowners with renovations. The home above received new windows and a furnace.

needed window replacement, new furnaces and other exterior improvements. These homeowners have also become members of Solidarity Community. Holloway describes this as a "win win for everyone." She's particularly proud of the results of a partnership with the local Habitat for Humanity's rehabilitation efforts

on an elderly member's home, providing an updated kitchen and other interior improvements, as well as the exterior improvements provided by NIP. This happy member often brings donuts or candy to the credit union's offices as well as playing his harmonica to express his appreciation.



Wright Family BLOOMINGTON, IN

Old National Bank obtained HOP dollars to help Faith Wright and her son move into a Habitat for Humanity home in Cedar Chase.

Homeownership Changes Lives

Faith Wright and her son Amari were living in a drafty trailer when a co-worker suggested that she look into the Habitat for Humanity program to see if she would qualify for a home. After filling out the application, she was thrilled to be accepted to the homeownership program.

Faith's home is in a new neighborhood called Cedar Chase and was part of Habitat for Humanity of Monroe County's 2011 Women Build. This is the first Habitat for Humanity community in Bloomington, IN and, when completed, will be home to more than 30 families.

Faith and Amari are delighted with their new home. "It's a home I can afford. We can build memories," said Faith.

Community Spirit Awards

Recognizing excellence in community economic development

The FHLBI and its Affordable Housing Advisory Council present its annual Community Spirit Award to honor an individual from one of its member financial institutions in Indiana and one in Michigan who has shown an outstanding dedication to affordable housing and community economic development. Judging is based on a nominee's dedication to community, spirit and action.

Receiving the 2011 Michigan award was Charlotte Edwards, Assistant Vice President and Community Development Officer at Citizens Bank, Flint, MI.

Charlotte is a strong advocate of the FHLBI's Affordable Housing Program and Homeownership Initiatives Programs and knows the programs well. She has been involved in 31 AHP projects since the inception of the program in 1990, focusing on Habitat for Humanity housing. Charlotte has facilitated the distribution of nearly \$1 million to over 160 first-time homebuyers and homeowners for rehabilitation through the Homeownership Initiatives Programs, ensuring that people with disabilities have affordable homes.

Charlotte is a passionate volunteer, serving on several boards including the Salem Housing Community Development Corp., the Flint City Wide Advisory Committee, the Michigan Finance Authority and the Flint Urban League.



Charlotte Edwards
ASSISTANT VICE PRESIDENT &
COMMUNITY DEVELOPMENT OFFICER
CITIZENS BANK, FLINT, MICHIGAN

Receiving the 2011 Indiana award was Randy Williams, President-CEO of Lafayette Savings Bank, Lafayette, IN.

Randy has served on the Board of Directors of Lafayette Transitional Housing Center for the past eight years and was instrumental in developing the funding structure to rehab the Lincoln School building into a 24 unit permanent supportive housing project. His financial background coupled with his dedication to help the homeless in the community created a perfect opportunity to apply for funds through the FHLBI's Affordable Housing Program. His leadership, passion and dedication have truly impacted the lives of those who are homeless.

In addition to his service for Lafayette Transitional Housing, Randy also serves on the Board of Directors of the Greater Lafayette Chamber of Commerce, as a Board Director of United Way of Greater Lafayette, and as an Advisory Council Member of the Tippecanoe County Council on Aging. He was recently appointed by Lafayette's Mayor to serve as a Board Director for the Region 4 Workforce Board.



Randy Williams
PRESIDENT/CEO
LAFAYETTE SAVINGS BANK, LAFAYETTE, INDIANA

2011 COMMUNITY INVESTMENT STAFF



FRONT LEFT TO RIGHT

Greg Teare - SVP, Chief Banking Officer
MaryBeth Wott -VP, Community Investment Officer

MIDDLE LEFT TO RIGHT

Robert Graves - Database Administrator
Trish Lewis - AVP, AHP Compliance Manager
Rebecca Henderson Hyink - AHP Compliance Analyst
RoseMarie Roberts - AHP Compliance Analyst
Stepheny Tays - Administrative Assistant

BACK LEFT TO RIGHT

Shannon Fountain - AVP, Community Lending Manager
Ronna Edwards - AHP Compliance Analyst
Marjorie Green - AVP, Community Investment Development Manager



FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

Building Partnerships. Serving Communities.

8250 Woodfield Crossing Blvd. • Indianapolis, Indiana 46240
317.465.0200 • www.fhlbi.com