

# Federal Home Loan Bank of Des Moines

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# Federal Home Loan Bank System

- Authorized by Congress in 1932, the FHLBank System is a government sponsored enterprise comprises of 12 regional independent Banks.
- The mission of the FHLBanks is to provide liquidity and stability to the nation's financial system and to promote housing and economic development.
- Over 8,000 commercial banks, thrifts, insurance companies and credit unions are cooperative members of the FHLBanks.



# Federal Home Loan Banks

- Member financial institutions borrow funds from the FHLBanks to finance housing, economic development, infrastructure and jobs. About 80% of US lending institutions rely on the FHLBanks.
- During the recent financial liquidity crisis, the FHLBank System invested \$400 billion of funding into the market over 18 months.



# What does the Federal Home Loan Bank of Des Moines do?

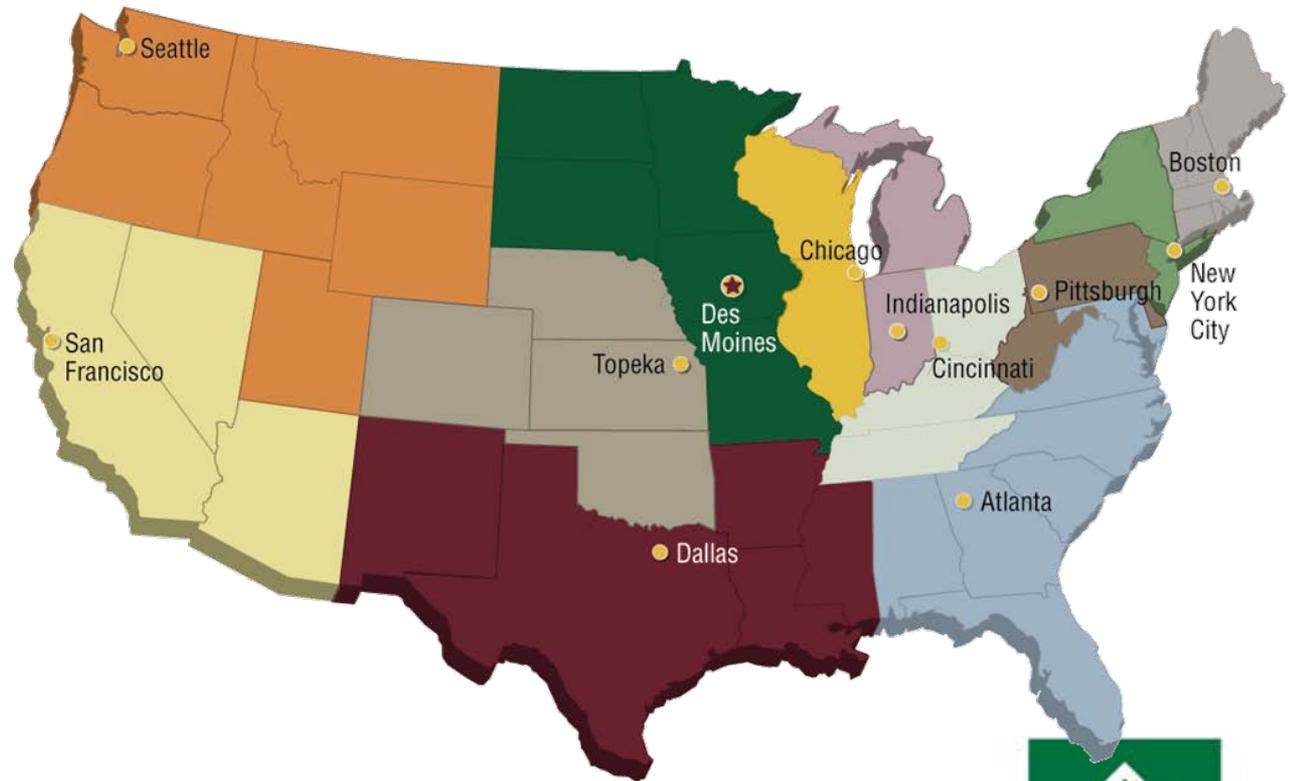


- Provides Advances to Member institutions (banks, insurance companies, & credit unions)
- Government Sponsored Entity
- As part of it's mission, the Bank sets aside 10% of its Net Income each year for Affordable Housing initiatives



# Who does FHLB Des Moines serve?

- The Bank's 5 state district includes:
  - Iowa
  - Minnesota
  - Missouri
  - North Dakota
  - South Dakota



# Bank Overview

*(as of December 31, 2009)*

- Members = 1,226
- Total Assets = \$64.7 Billion
- Advances = \$35.7 Billion
- Mortgage Partnership Finance<sup>®</sup> = \$7.7 Billion



# Federal Home Bank of Des Moines

- FHLB Des Moines has 1,226 members.  
Approximately 600 members have assets of less than \$100 million and 1,100 have less than \$500 million.
- During the recent financial liquidity crisis, 91% of our members used at least one of the Bank's products and the Bank invested \$41 billion of funding into the market.



# FHLB Des Moines Products

- Short term and long term Advances
- Letters of Credit
- Mortgage Partnership Finance<sup>®</sup> & MPF Xtra<sup>®</sup>
- Affordable Housing Program grants
- Affordable Housing Program Set-aside grants  
(homeownership, down payment and closing costs)
- Community Investment Advances



# Affordable Housing Program

- AHP is a competitive grant program targeting households at/below 80%.
- The grants promote partnerships among the Bank, member financial institutions, and housing development organizations.
- AHP grants must be used for the purchase, construction, or rehabilitation of eligible owner-occupied or rental housing.



# FHLB Des Moines' Affordable Housing initiatives (from 1990 - present)

- Iowa = \$32.1 million (259 projects)
- Minnesota = \$59.5 million (354 projects)
- Missouri = \$36.6 million (206 projects)
- North Dakota = \$9.2 million (52 projects)
- South Dakota = \$17.7 million (110 projects)
- Out of District = \$9.1 million (59 projects)
- Set aside programs = \$31.2 million



***Total funds awarded = \$164.1 million (1,040 projects)***



***Total development costs = \$1.5 Billion (36,518 units)***

# Affordable Housing Program (AHP)

- Competitive program – 9 scoring priorities (100 points)
- Funds can be used for the purchase, construction or rehabilitation of eligible rental or single family properties
- Maximum of **\$500,000** or **\$30,000** per unit (*lesser of*)
- Income levels at or below 80% of the Area Median Income (AMI)
  - *Note: Rental projects must have a minimum of 20% units targeted at income levels of 50% AMI or below*
- *Retention periods:*
  - *Rental = 15 years*
  - *Homeownership = 5 years*



# AHP Scoring Criteria

- Priority 1: Use of Donated Properties – *5 points (variable)*
- Priority 2: Nonprofit or Government Sponsorship – *10 points (fixed)*
- Priority 3: Targeting – *20 points (variable)*
- Priority 4: Homeless Households – *5 points (fixed)*
- Priority 5: Empowerment – *5 points (fixed)*
- Priority 6: First District Priority – *20 points (variable, In District 7 points / Special Needs 13 points)*
- Priority 7: Second District Priority – *15 points (variable, Native American 10 points / 100% Acquisition & Rehab 5 points)*
- Priority 8: AHP Subsidy per Unit – *10 points (variable)*
- Priority 9: Community Stability – *10 points (variable)*



# \* IMPORTANT DATES – 2010 AHP Applications \*

<b>Pre-Application Start:</b>	<b>7:00 AM April 1, 2010</b>
<b>Pre-application End:</b>	<b>4:30 PM May 31, 2010</b>
<b>Registration Start:</b>	<b>7:00 AM April 15, 2010</b>
<b>Registration End:</b>	<b>4:30 PM May 31, 2010</b>
<b>Application Start:</b>	<b>7:00 AM May 1, 2010</b>
<b>Application End:</b>	<b>4:30 PM June 30, 2010</b>
<b>Member Bank Approval Start:</b>	<b>7:00 AM May 1, 2010</b>
<b>Member Bank Approval End:</b>	<b>4:30 PM June 30, 2010</b>

**\*\* All times are Central Time. \*\***

**NOTE: The AHP online application will be accessible Monday through Sunday from 7:00 a.m. through 10:00 p.m Central Time.**



*No applications will be accepted after the AHP deadline listed below. In addition, any applications with missing Exhibits at the time of the deadline will be considered incomplete.*

# Community Investment Advances

- Community Investment Advances (CIAs) are discounted rate advances for targeted community lending
- CIAs are priced at 7 basis points above the Bank's cost of funds.
- A member may qualify for a CIA based on loans to be originated in the next 12 months or loans closed in the past 90 days.



# Community Investment Advances

- To qualify as targeted community lending the loan must be:
  - for housing located or affordable for 115% MFI
  - for economic development in a rural census tract below 115% MFI, or
  - for economic development located in an urban census tract below 100% MFI, or
  - small business loans, or
  - federal disaster areas



# Community Investment Department Contacts

## Rental Housing

- Stacy Snyder, Associate Director Rental Housing
- Brandon Wiltgen, Rental Housing Analyst
- Renee Marrs, Rental Housing Specialist

## Homeownership

- Rick Bloxham, Associate Director Homeownership
- Mary Jo Vogl, Homeownership Analyst
- Evelyn Bengtson, Set Aside Homeownership Analyst

## Administrative

- Gary Dodge, Director Community Investment
- Curt Heidt, Community Investment Officer
- Kathy Sparks, Operations Manager
- Cheryl McCollum, Community Investment Specialist



# Contact Information

**Stacy Snyder**

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# *Questions?*

