

# Federal Home Loan Bank of Des Moines

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# Federal Home Loan Banks

- 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.



# Federal Home Bank of Des Moines

- The Federal Home Loan Bank of Des Moines district covers North Dakota, South Dakota, Minnesota, Iowa and Missouri.
- FHLB Des Moines has 1,250 members with 600 members less than \$100 million and 1,100 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® & MPF Xtra®
- Affordable Housing Program grants
- Affordable Housing Program Set-aside grants (homeownership, down payment and closing costs)
- Community Investment Advances



# 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

