



STRONG COMMUNITIES FUND  
FHLB DES MOINES

# Montana Annual Statewide Housing Conference

June 9, 2015

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# Today's Discussion

- What are the Federal Home Loan Banks (FHLBanks)?
- What type of downpayment assistance do we provide?
- How do you access our funds?
- What's next?

# What are the Federal Home Loan Banks (FHLBanks)?

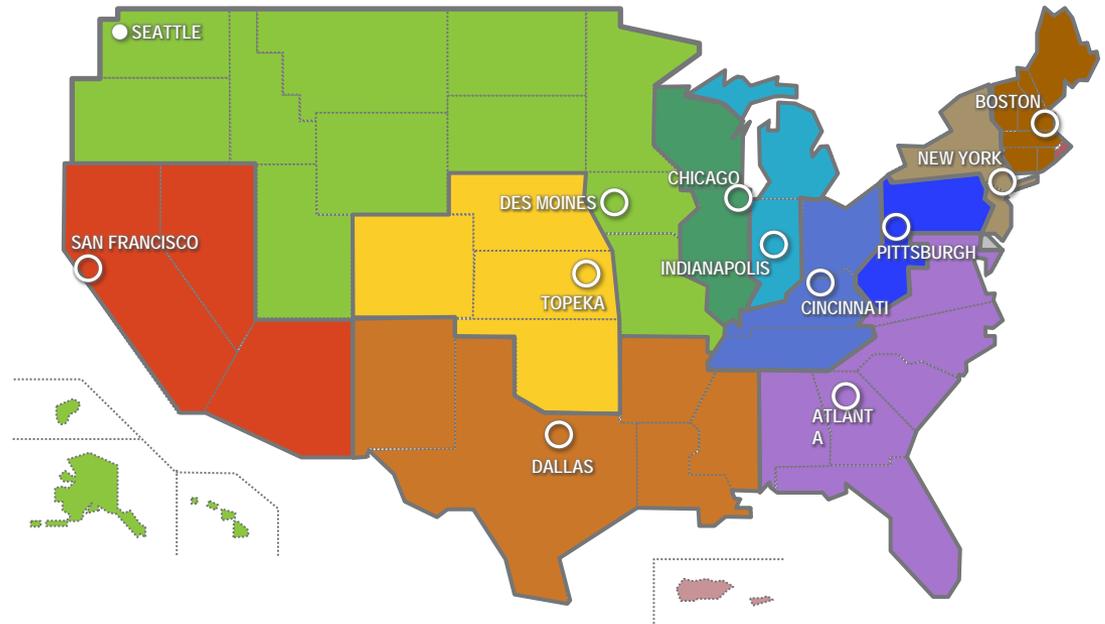


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# FHLBanks: A Nation of Local Lenders

Created by Congress in 1932

- 11 regional and privately-owned financial cooperatives
- Primary business: lending (advances)
- Secondary business: mortgage purchases
- Debt issued on a joint and several liability basis
- Over 7,500 financial institution members



# FHLBanks: The Largest Private Source of Funding for Affordable Housing

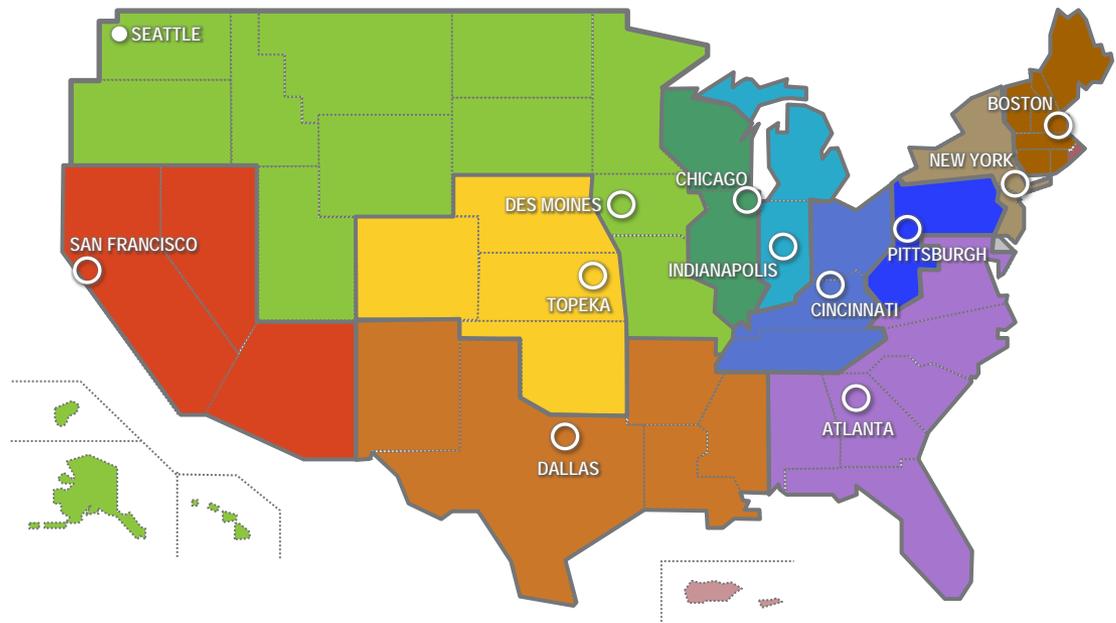
Since 1990, each FHLBank has devoted 10% of its annual profits to provide subsidy for affordable housing.

These private funds are distributed through FHLBank members.

National results:

- \$4.4 billion in subsidy
- 724,000 affordable homes financed

FHLBanks also provide ongoing support to state housing finance agencies by purchasing bonds.



# Merging to Build a Stronger Cooperative

## Combined Bank

**40%**

OF TOTAL  
AREA OF U.S.

**11%**

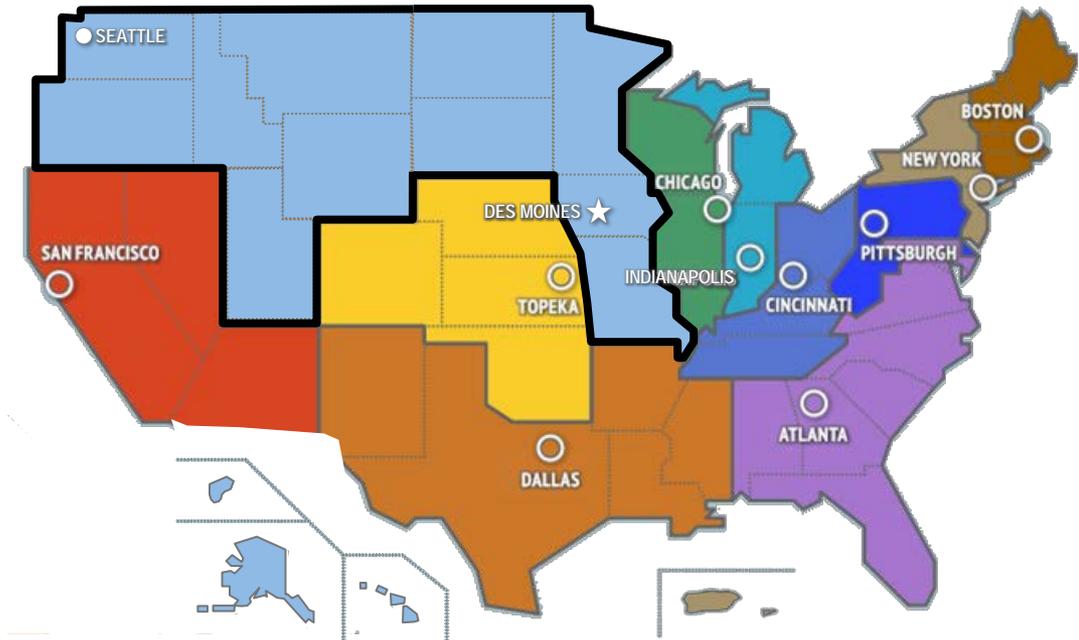
OF TOTAL U.S.  
POPULATION

**2%**

OF OUR REGION'S  
POPULATION IS  
NATIVE

**30%**

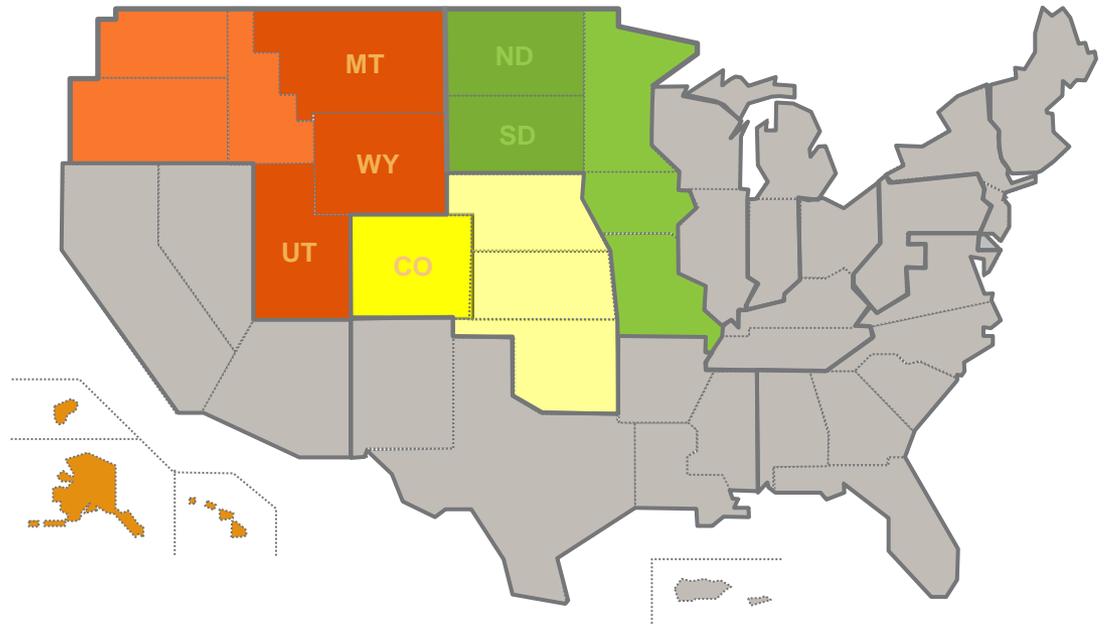
OF THE TOTAL  
NATIVE POPULATION  
LIVES IN OUR  
REGION



FUNDING  
2015

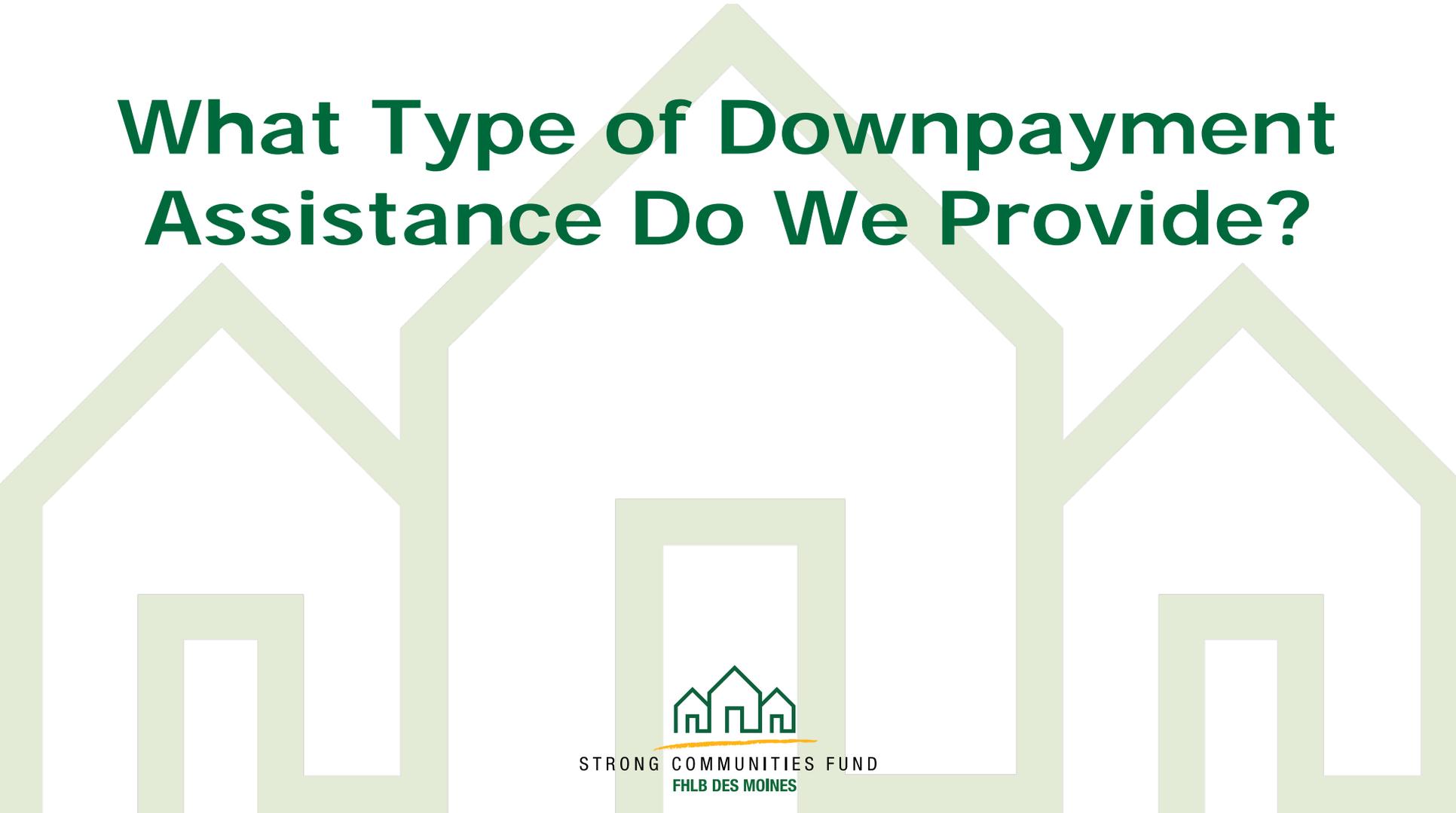
# FHLBanks: Serving Montana and the States of Mountain Plains NAHRO

- FHLBank Seattle**  
2015 community investment programs are being retained for the eight (orange/red) states in the Seattle Bank district through December 31, 2015.
- FHLBank Des Moines**
- FHLBank Topeka**





# What Type of Downpayment Assistance Do We Provide?



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FUNDING  
2015

## Three Programs | One Commitment

### Three Programs in 2015 (Mountain Plains NAHRO Region)

- FHLBanks of Seattle, Des Moines, Topeka

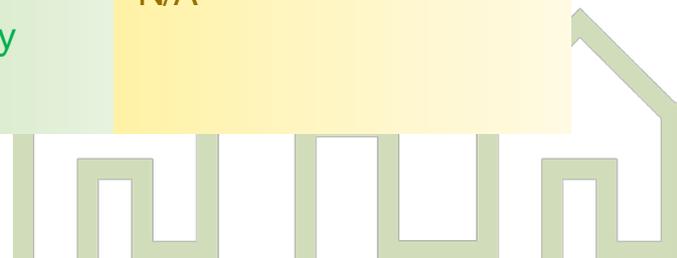
### One Commitment

- Grants for assistance with down payment and closing costs for households with incomes at or below 80% of area median income, adjusted for family size.
  - All grants are made available through an FHLBank member
  - Homebuyer education required for each household
  - Income eligibility determined once



# Downpayment | Closing Cost Assistance

	Seattle	Des Moines	Topeka
NAHRO States	MT, UT, WY	ND, SD	CO
Program Name	Home\$tart	Homeownership Fund	Homeownership Set Aside Program
Allocation	First-come/First-served	Lottery	First-come/First-served
2015 Funding	\$1.67 million	\$2 million	\$4.5 million
Members participating	~50	145	~100
Timing	Opened April 1	Sept. 1 – Sept. 30	First Monday in March
Grant Amount	\$5,000	\$5,000	\$7,500
Special Focus	Home\$tart Plus: \$10,000 grants for recipients of public housing assistance	Native American Homeownership Initiative: \$10,000 grants for members of federally recognized Tribes.	N/A



FUNDING  
'90-'15

# Impact | Mountain Plains NAHRO Region



CO

\$1.6  
Million



MT

\$8.5  
Million



ND

\$1.3  
Million



SD

\$4.3  
Million



UT

\$7.6  
Million



WY

\$1.4  
Million





# Flexible Funding

- FHLBank down payment and closing cost assistance grants may be used with a variety of mortgage products and layered with other down payment assistance:
  - Mortgages: HFA; USDA; VA; State Housing Finance Agency; Habitat for Humanity; Fannie/Freddie, etc.
  - Other down payment assistance: District XI Human Resource Council; NeighborWorks; city, county, or state funds, etc.
- Grants forgiven after five years or sooner if the home is:
  - Sold at a loss or to an 80% AMI household
  - Lost through foreclosure



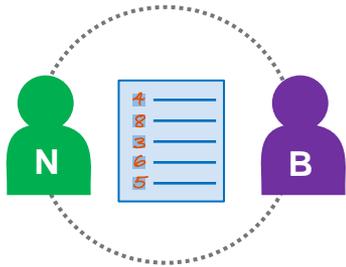
# How Do You Access Our Funds?



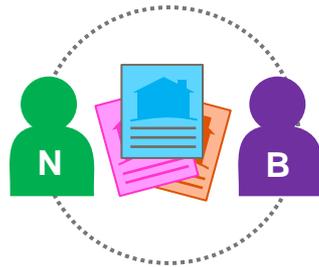
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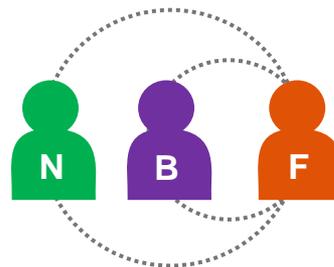
# Work with a Member of an FHLBank, for Example:



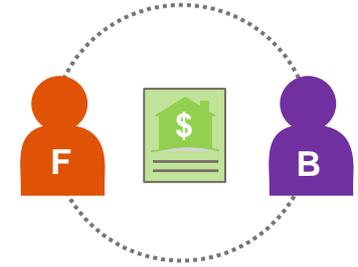
Nonprofit screens  
Borrower for  
income eligibility



Nonprofit coordinates  
homebuyer education  
for Borrower



Nonprofit connects  
Borrower with  
FHlBank member



FHlBank member  
provides a mortgage  
and FHLBank down  
payment funds to  
Borrower



# Our Members Benefit from Working with You

The Seattle Bank's community investment products offer members the opportunity to:

- Meet community investment objectives
- Attract new customers and build customer loyalty
- Improve credit quality and lending ratios of single-family and multi-family loans
- Increase deposits and mortgage volumes
- Foster community relationships
- Raise corporate profile in the community



# What's Next?



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# It all starts with a discussion. Let's talk.



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**Thank You**