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**Federal Home Loan Bank of Des Moines**  
**2010 Board of Directors Election Process**  
**General Information**  
**July 7, 2010**

*About the Bank*

The Federal Home Loan Bank of Des Moines (Bank) is one of 12 regional shareholder-owned Federal Home Loan Banks (FHLBanks) that comprise the Federal Home Loan Bank System. The FHLBanks were created under the authority of the Federal Home Loan Bank Act of 1932 (Bank Act). On July 30, 2008 the passage of the Housing and Economic Recovery Act of 2008 (Housing Act) amended certain provisions of the Bank Act. Prior to the passage of the Housing Act, the Federal Housing Finance Board, an independent agency in the executive branch of the U.S. Government, supervised and regulated the FHLBanks. With the passage of the Housing Act, the Federal Housing Finance Agency (Finance Agency) was established and became the new independent Federal regulator of the FHLBanks.

The Bank's mission is to provide its members and housing associates financial products and services that assist and enhance their ability to finance housing and community lending. The Bank's vision is to be the preferred financial provider of its members in meeting the housing and economic development needs of the communities the Bank and its members serve together. The Bank strives to achieve this vision within an operating principle that balances the trade-off between attractively priced products, reasonable returns on capital investments (dividends), and maintaining adequate capital and retained earnings based on the Bank's risk profile as well as to support safe and sound business operations. The Bank fulfills its mission and vision by being a stable resource that can make short- and long-term funding available to members and housing associates through advances, standby letters of credit, mortgage purchases, and targeted housing and economic development activities.

The Bank is a cooperative. This means the Bank is owned by its members. The capital stock of the Bank is owned by its members, and all members must purchase and maintain membership capital stock in the Bank as a condition of membership based on the amount of their total assets.

Member institutions of the Bank are located in Iowa, Minnesota, Missouri, North Dakota and South Dakota. As of December 31, 2009, there were 1,049 commercial banks, 73 savings and loan associations and savings banks, 64 credit unions, and 40 insurance companies, comprising total Bank membership of 1,226 institutions.

## *Bank Board of Directors*

The Bank has its own Board of Directors, management and employees. The Bank's Board of Directors is responsible for monitoring our compliance with Finance Agency regulations and establishing policies and programs that carry out the Bank's housing finance mission. The Board of Directors adopts, reviews, and oversees the implementation of policies governing our advance, mortgage loan, investment, and funding activities. Additionally, the Board of Directors adopts, reviews, and oversees the implementation of policies that manage the Bank's exposure to market, liquidity, credit, operational, and business risks.

The Bank's Board is comprised of Member Directors elected by its member institutions on a state-by-state basis and Independent Directors elected by a plurality of its members. The Bank's Board currently includes nine Member Directors and seven Independent Directors, two of which serve as public interest directors. No member of Bank management may serve as a director of any FHLBank.

With the exception of terms shortened by the Finance Agency for staggering purposes, both Member and Independent Directors serve four-year terms. If any person has been elected to three consecutive full terms as a Member or Independent Director of the Bank's Board, the individual is not eligible for election to a Member or Independent Directorship for a term which begins earlier than two years after the expiration of the last expiring four-year term.

Member Directorships are allocated by the Finance Agency to the five states in the Bank's district and a member institution is eligible to participate in the election for the state in which it is located. Member Directors are nominated by the members eligible to participate in the election in the relevant state. A member is entitled to cast, for each applicable Member Directorship, one vote for each share of capital stock that the member is required to hold.

Member Directors are required, by statute and regulation, to meet certain eligibility requirements to serve as a director. To qualify as a Member Director an individual must: (i) be an officer or director of a member institution in compliance with the minimum capital requirements established by its regulator and located in the state in which there is an open directorship and (ii) be a U.S. citizen.

Independent Directors are nominated by our Board of Directors after consultation with our Affordable Housing Advisory Council, and then voted upon by all members within our five-state district. For each Independent Directorship, a member is entitled to cast the same number of votes as it would for a Member Directorship.

In order to be eligible to serve as an Independent Director on the Bank's Board, an individual must be a U.S. citizen and maintain a principal residence in a state in the Bank's district (or own or lease a residence in the district and be employed in the district). In addition, the individual may not be an officer of any FHLBank or a director, officer, or employee of any member institution or of any recipient of Bank advances. Each public interest director must have more than four years of personal experience in representing consumer or community interests in banking services, credit needs, housing,

or financial consumer protection. Each Independent Director, other than a public interest director, must have knowledge of, or experience in, financial management, auditing or accounting, risk management practices, derivatives, project development, organizational management, or the law.

The Board of Directors of the Bank held eight in-person meetings and four telephonic meetings in 2009. Regularly scheduled meetings were usually held on the last Wednesday or Thursday of the month. During 2009, three of the in-person Board meetings were held in Des Moines, Iowa, one was held in Washington, DC, one in Mackinac Island, Michigan, one in Kansas City, Missouri, and two in the Minneapolis/St. Paul, Minnesota area. In 2010 the Board has held three in-person meetings and one telephonic meeting, and plans to meet in August, October, November, and December of this year.

The Board currently has seven standing committees: Audit; Business Operations and Technology; Finance and Planning; Human Resources and Compensation; Mission, Member and Housing; Risk Management; and Executive and Governance. The committee structure is designed to permit smaller bodies of the Board to conduct a detailed review of complex matters. The committees report to the full Board of Directors and make recommendations to the Board on certain matters requiring full Board approval. Members of the various committees are appointed on an annual basis. Committee meetings are generally held the day preceding the full Board meeting.

Each FHLBank, within certain general guidelines set by the Finance Agency, establishes its own compensation structure and reimbursement of expenses for Home Loan Bank directors. More information about director compensation and reimbursement of expenses is available from the Bank's General Counsel, Aaron Lee, who can be reached at 800/544-3452, extension 1038 or 515/281-1038, or by e-mail at alee@fhlbdm.com.

### *2010 Director Elections*

For the 2010 Director Elections, the states of Minnesota, Missouri, and North Dakota will each fill one Member Director seat. Three Independent Directorships will be filled through a district-wide election. One of the Independent Director seats to be filled is a public interest directorship.

The following is a schedule of key events for the 2010 Director Elections:

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| <b>July 7, 2010</b>   | Notification to stockholders announcing 2010 Member and Independent Director Election sent to eligible member institutions in all states.<br>Nomination certificates and a list of member institutions that are eligible to participate in the member director election, including their eligible votes, are sent to eligible member institutions in the voting states.<br>Independent director application forms sent to eligible members in all states and made available on the Bank's website. |
| <b>August 6, 2010</b> | Member director nomination certificates and independent director application forms must be received at the Bank by this <b>nomination deadline</b> . Notifications are sent to nominees upon receipt of nominating certificate.  |

<b>August 12, 2010</b>	Board of Directors and management to review independent director application forms received and confirm eligibility of applicants
<b>August 25, 2010</b>	Board of Directors and management consults with the Affordable Housing Advisory Council, and approves slate of nominees for submission to the Finance Agency.
<b>August 27, 2010</b>	Certification forms for approved independent director nominees are submitted to the Finance Agency.
<b>September 14, 2010</b>	Member director candidates must return the completed eligibility certification form to the Bank by this <b>nominee certification form deadline</b> . All independent director applicants are notified of whether or not they were nominated.
<b>September 23, 2010</b>	Electronic ballots sent to eligible member institutions in voting states for member director election, and to all states within the 8 <sup>th</sup> district for the independent director election.
<b>November 5, 2010</b>	Ballots must be received by this <b>voting deadline</b> .
<b>November 9, 2010</b>	Ballots are counted and verified.
<b>November 11, 2010</b>	Board of Directors approves election results.
<b>November 13, 2010</b>	Nominees, Finance Agency and all members notified of election results.
<b>January 1, 2011</b>	Member and Independent directors take office.

Pursuant to Finance Agency regulations, A Bank officer, attorney, employee or agent, acting in his or her personal capacity, may support the nomination or election of any individual for a Member Directorship, provided that no such person may purport to represent the views of the Bank or its Board of Directors in doing so. A Bank director, officer, attorney, employee, or agent and the Board of Directors and the Affordable Housing Advisory Council of the Bank, may support the candidacy of any person nominated by the Board of Directors for election to an Independent Directorship. Other than as provided above, no director, officer, attorney, employee or agent of the Bank may communicate in any manner that a director, officer, attorney, employee, or agent of the Bank supports or opposes the nomination or election of a particular individual for a directorship or take any other action to influence the voting with respect to any particular individual.