



Announcements

FHLB Des Moines Eliminates Customary Member Collateral Verification Fee

The Board of Directors and the Federal Home Loan Bank of Des Moines are pleased to announce the elimination of the Member Collateral Verification (MCV) review fees for customary collateral verification services effective January 1, 2008. The decision to discontinue the MCV fee for customary reviews is another demonstration of the Bank's dedication to deliver member value.

FHLB Des Moines requires a periodic review of a member's collateral pledged to secure advances and other credit exposures based on a Federal Housing Finance Board regulations requirement as described in our Member Products Policy. Member Collateral Verifications benefit our members by providing ways to enhance their collateral standing with FHLB Des Moines.

Member Collateral Verifications

- Ensure there is adequate collateral security for member advances and protect the value of each member's FHLB capital stock investment
- Provide education that helps members maximize their overall advance capacity
- Enhance members' loan review process
- Provide general safety and soundness guidelines and best practices for lending

All members and pledgors are required to continue submission of periodic pledging documents (Borrowing Base Certificates, loan listings and related documents as applicable).

Please note that FHLB Des Moines Member Collateral Verification reviews are provided to our members as a free service except for reviews that involve multiple locations or out of district visits, member-requested additional or unscheduled MCVs. Please review the Bank's Collateral Fee Schedule that details special circumstance fees.

Please contact Marc Johnson, Director, Credit and Collateral, at 800.544.3452, ext. 1119 or by email at mjohnson@fhlbdm.com.

January 10, 2008

FHLB Des Moines Expands Eligible Collateral

FHLB Des Moines is now accepting Secured Business and Agri-Business lines of credit as eligible collateral. The Bank has expanded its eligible collateral categories to include Secured Business and Agri-Business lines of credit as allowed by Federal Housing Finance Board regulations. These new lines of credit will be eligible for pledging by Community Financial Institution (CFI) members only. Pledging the additional Secured Business and Agri-Business lines of credit may allow CFI members to expand their borrowing capacity.

The Bank's Collateral Procedures have been updated to reflect the changes in eligible collateral. The Member Products Policy remains unchanged since the lines of credit are a subset of existing CFI collateral. The frequency for reporting this type of collateral is monthly, and applicable Collateral Maintenance Levels are included in the CML chart.

In order to pledge the new collateral types, members will need to complete the Secured Business Lines of Credit form, C-225 and/or the Secured Agri-Business Lines of Credit form, C-226. Due to reporting requirement differences, the lines of credit will need to be reported on the newly-created Secured Business or Secured Agri-Business forms. Instructions and checklists, along with the new pledging forms, are available under the "Commercial" and "Agricultural" sections on the Collateral Forms page on our public website.

Please contact the Bank's Collateral Department at 1.800.544.3452, ext. 5408 or AdvanceCollateral@fhlbdm.com if there are any questions.

Changes Made to Anti-Predatory Lending Policy

FHLB Des Moines has revised its Anti-Predatory Lending Policy for Collateral and Residential Mortgage Loans Purchased from Members. The revisions* are to the policy concerning a loan that cannot become a Purchased Mortgage Loan or be given collateral value if:

- The loan includes penalties in connection with the prepayment of the mortgage beyond the early years of the loan, to the extent such penalties are prohibited or limited by applicable Anti-Predatory Lending laws; or,
- The loan requires mandatory arbitration to settle disputes with respect to dispute resolution and such requirements are prohibited or limited by applicable Anti-Predatory Lending laws.

*The revisions are underlined.