



MORTGAGE PROGRAM OVERVIEW

Dan Mahlum, Director of Mortgage Programs

FHLB Des Moines Mortgage Strategy

FHLB Des Moines Mortgage Business Operations Focused On:

- Ensuring growth in member utilization
- Growth in mortgage assets as an investment
- Effective mitigation and management of risks
- Delivering an excellent experience for our members

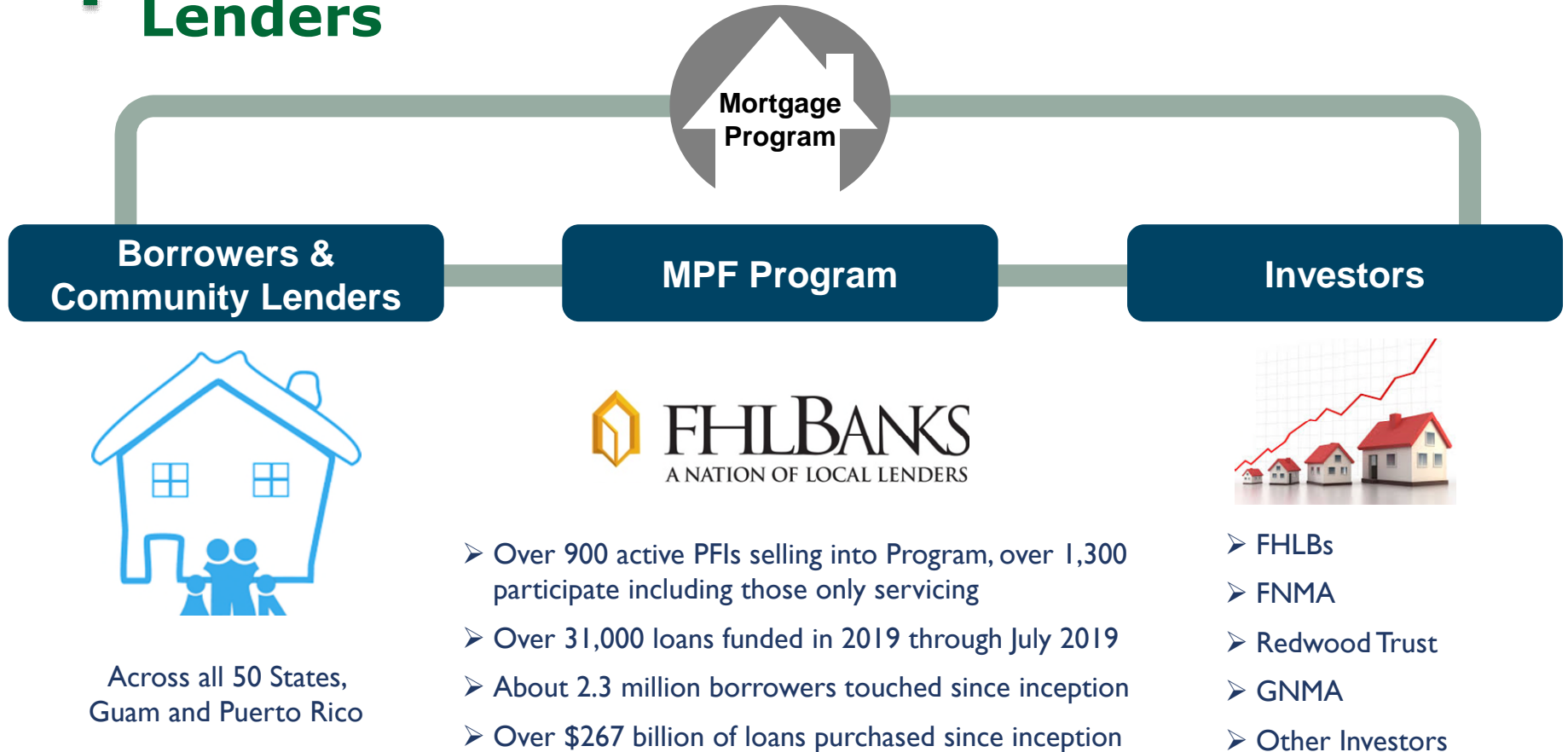
Genesis of the MPF Program

Twenty-Two Years Ago

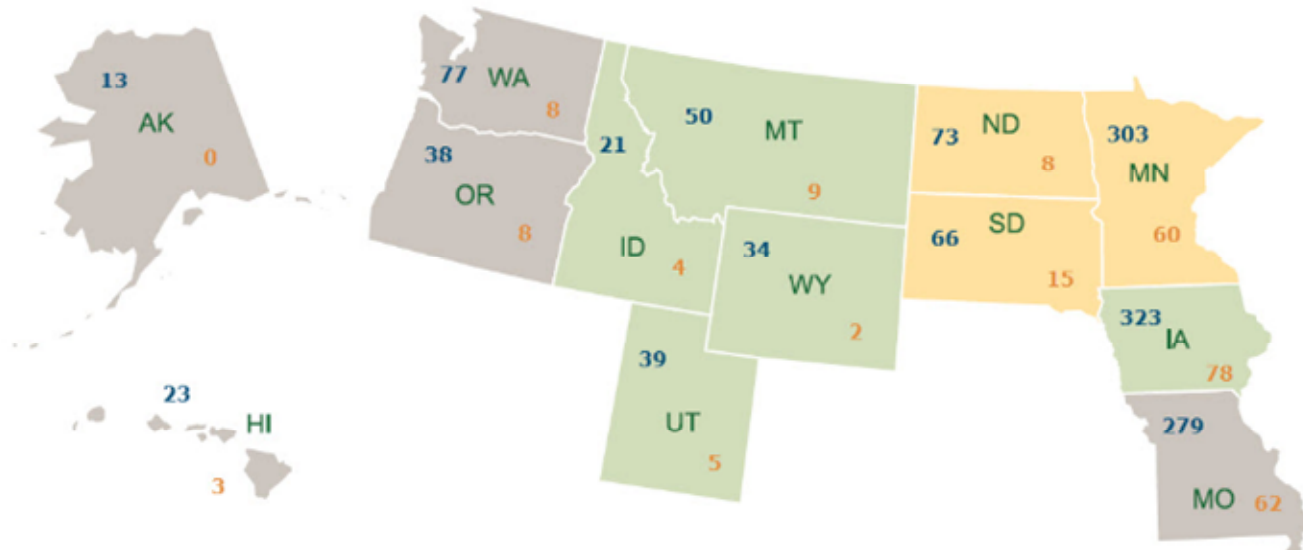
- Community financial institutions were not being compensated for the good credit quality loans they produced.
- The MPF Program was created to allow members to:
 - Sell loans to their FHLB thereby receiving funding;
 - Avoid interest rate risk to their balance sheet;
 - Retain servicing income and connection to the borrower, and
 - Get compensated for credit quality.



MPF Program – Supporting Community Lenders



FHLB Des Moines Mortgage Program Participation



Members 1,344 as of 8/31/19

Active PFIs 263 9/1/18 to 8/31/19

AMERICAN SAMOA



GUAM



MARIANA ISLANDS



TERRITORY #1

TODD CARLSON

VP/Mortgage Relationship Manager

TERRITORY #2

BRAD MEADER

VP/Mortgage Relationship Manager

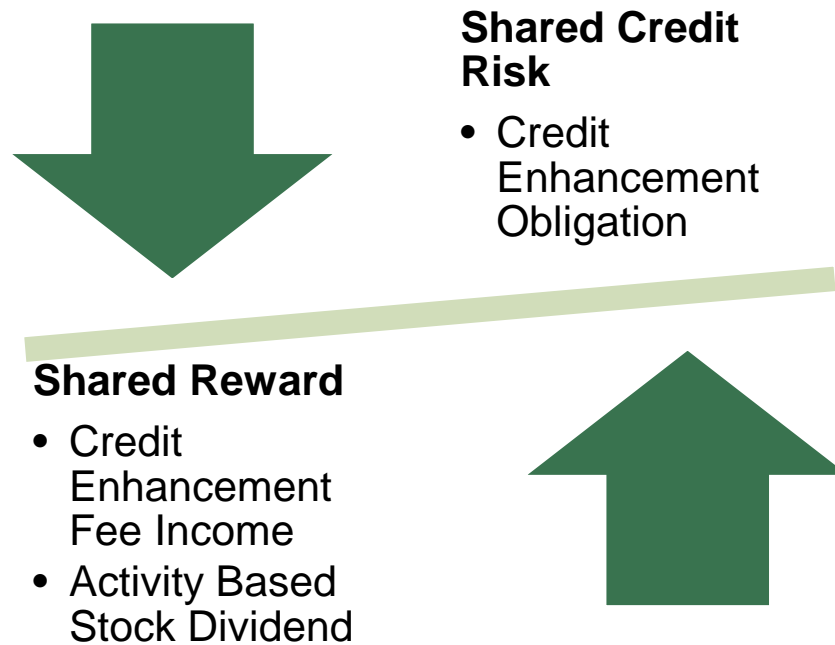
TERRITORY #3

ED BARKER

VP/Mortgage Relationship Manager

MPF Traditional

Shared Risk & Shared Reward



MPF Traditional

Loss Absorption Progression



Homeowner's Equity



Mortgage Insurance



**Home Loan Bank
First Loss Account**



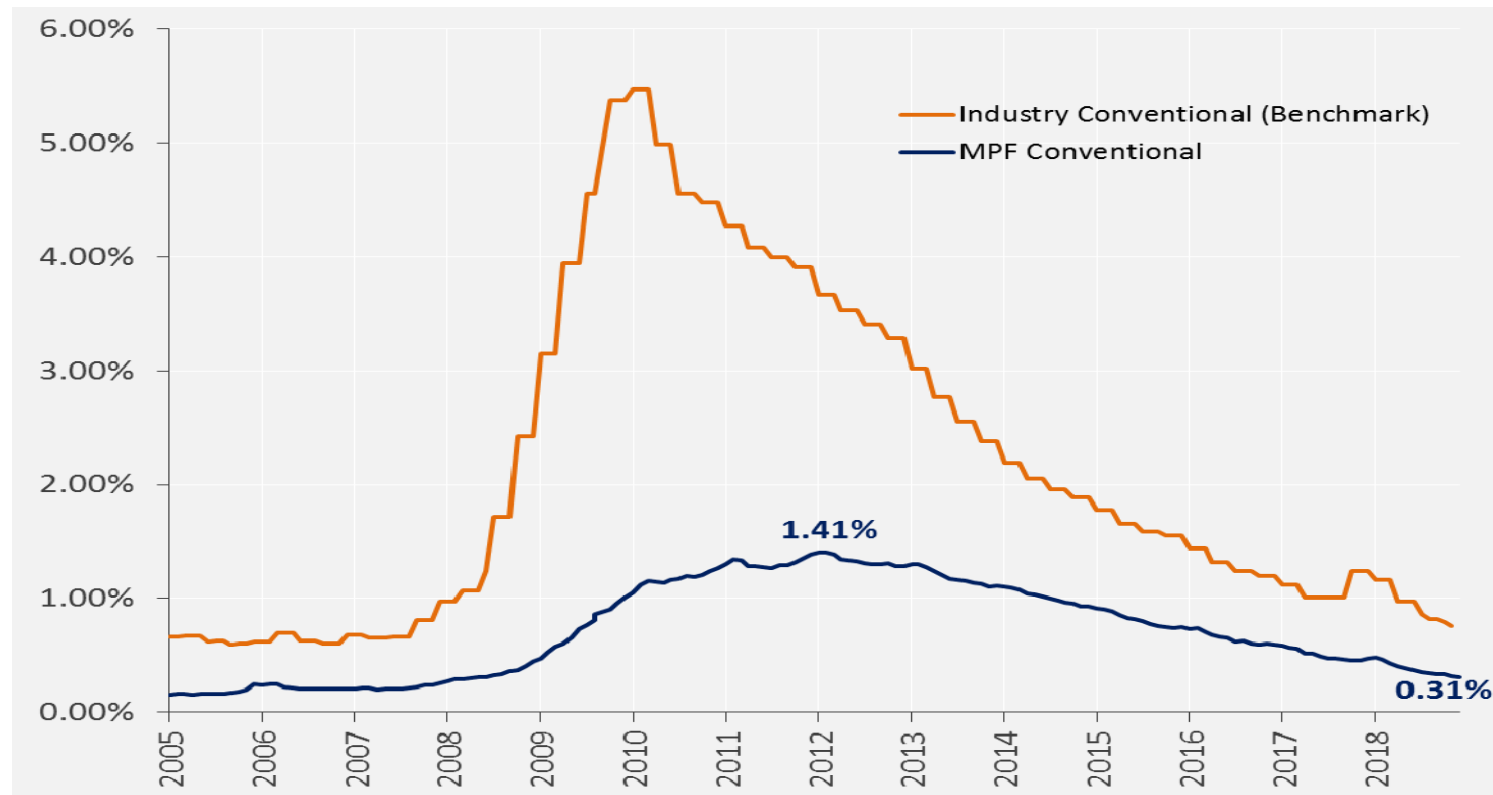
**Member Credit
Enhancement**



Home Loan Bank

MPF vs. Industry Benchmark

Loan Performance for Conventional Mortgage Loans



Community lenders produce high quality loans as can be seen in this simple snapshot of MPF serious delinquency rates versus an industry benchmark.



MPF Credit Enhancement Value for Members

(June 1997 – January 2019)

MPF Traditional loans funded	1,203,781
Loans with a Credit Loss	8,755
MPF Traditional UPB funded	\$192 billion
Actual losses paid by PFIs	\$37 million (2 bps)
CE fees received by PFIs	\$803 million (43 bps)
Net Value for Communities	\$766 million (41 bps)



| Our Other MPF Mortgage Products

- **MPF Xtra (FNMA)**
- **MPF Direct (Jumbo)**
- **MPF Government MBS (Ginnie Mae)**



Contact Us

Sales and Inquiries



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Thank you!

