



ADVISORY COUNCIL REPORT

20
24

**FEDERAL HOME LOAN BANK
OF DES MOINES**

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MESSAGE FROM THE CHAIR



SEAN HUBERT
Advisory Council Chair
FHLB Des Moines



2025 Targeted Community
Lending Plan



2025 Implementation
Plan

As chair of the Federal Home Loan Bank of Des Moines Affordable Housing Advisory Council (Advisory Council), I am pleased to present the 2024 Advisory Council Annual Report. This report highlights the significant impact of the affordable housing and community investment activities facilitated through the member financial institutions of the Federal Home Loan Bank of Des Moines (FHLB Des Moines or the Bank).

While housing organizations struggle with greater gaps in funding due to inflation and continued headwinds in the housing market, the competitive Affordable Housing Program (AHP) has provided essential subsidies to address these growing needs. Effective for 2024, the maximum amount for an AHP award was increased to up to \$3 million per project and \$150,000 per unit, which financed 55 affordable housing projects that year, including 34 projects that serve homeless households and nine that provide housing for Native people and communities.

The Advisory Council continues to focus on areas in the Bank's district that have been historically challenged to compete for AHP funding by implementing AHP scoring criteria changes to encourage applications from these areas. In 2024, every state and U.S. territory in the Bank's district received an award from at least one core or voluntary product, and at least one AHP application was received from every state in the district as well as two U.S. territories.

We recognize that homeownership is one of the most stabilizing investments for families. Through a 2024 allocation of \$12 million for Down Payment Products, more than 170 members were able to provide households with real, tangible support, helping them preserve the dream of homeownership and begin to build generational wealth.

Notably, 2024 marked a record year in the amount of the Bank's contribution to its AHP, with a total of \$107 million allocated. Together, the Bank's AHP and Down Payment Products have now achieved a significant milestone - surpassing \$1 billion in total funds since inception.

Additionally, the Bank offered three voluntary programs this past year which provided a pathway for FHLB Des Moines members to invest in the vitality of their communities. The Member Impact Fund supported affordable housing and community development with nearly \$29 million awarded by the Bank to five states and Guam. Additionally, the U.S. territories of Guam, American Samoa and the Commonwealth of the Northern Mariana Islands each received \$20,000 grants to support capacity building and working capital needs. Launched in 2024, the Mortgage Rate Relief product offered an approximate 2% interest rate reduction for over 1,500 households and the Habitat for Humanity® Advance Rate Discount provided members with a 0% advance for mortgage loans originated by or purchased from a Habitat for Humanity affiliate.

The achievements of these programs during the past year not only exemplifies the strength of the cooperative but also underscores the vital role the FHLBank System plays in addressing critical needs facing affordable housing. As we look forward to the coming year, we remain dedicated to supporting the Bank's mission of lending strength to its members' efforts to meet the housing, business and economic development needs of the communities they serve.

COMMUNITY INVESTMENT PRODUCTS

CORE PRODUCTS

Each year, FHLB Des Moines contributes 10% of its previous year's net income to fund grants for the competitive Affordable Housing Program (AHP) and its set-aside homeownership program, Down Payment Products. Additionally, the Bank provides a reduced-rate advance that is responsive to targeted community needs.

Competitive Affordable Housing Program (AHP)

Funding for acquisition, new construction or rehabilitation of affordable owner-occupied or rental housing. Grants are awarded through a competitive scoring process.

FHLB Des Moines members submit applications on behalf of a housing sponsor.

Down Payment Products

Home\$tart®

Down payment and closing cost assistance for qualifying first-time homebuyers.

Native American Homeownership Initiative (NAHI)

Down payment and closing cost assistance for qualifying Native American, Alaska Native or Native Hawaiian households.

Community Investment Advance (CIA)

Reduced-rate advances for targeted housing and economic development.

VOLUNTARY PRODUCTS

In 2024, the Advisory Council supported the Board of Director's decision to contribute at least 5% more of its previous years' net income to voluntary programs to provide FHLB Des Moines members with additional pathways for investing in the vitality of their communities.

Member Impact Fund

Bank matching funds up to \$3 for every \$1 contributed by a member to support affordable housing or community development.

Mortgage Rate Relief

An approximate 1.5-2% interest rate reduction to households with incomes at or below 80% of area median.

Habitat for Humanity® Advance Rate Discount

0% advance in amounts equal to or less than the unpaid principal balance of Habitat for Humanity mortgage loans the member has either originated for or purchased from a Habitat for Humanity affiliate.

2024 **IMPACT**

CORE PRODUCTS

\$100.3 MILLION

AWARDED THROUGH THE AFFORDABLE HOUSING PROGRAM

Financing the acquisition, construction or rehabilitation of **55** affordable housing projects

\$11.0 MILLION

DISBURSED THROUGH DOWN PAYMENT PRODUCTS

Providing **800** homebuyers with down payment and closing costs assistance

\$1.4 BILLION

ORIGINATED THROUGH COMMUNITY INVESTMENT ADVANCES

Providing **338** advances with reduced-rate funding for targeted affordable housing and community lending

Since the inception of the Affordable Housing Program and Down Payment Products, FHLB Des Moines has awarded more than

\$1 BILLION

IN GRANT FUNDING

VOLUNTARY PROGRAMS

MEMBER IMPACT FUND

Awarded **\$28.7 million** in grant funding through 133 members for a total of **759 individual awards** to non-profit and government entities

Direct grants of \$20,000 awarded to each of the three U.S. territories (\$60,000 total)

MORTGAGE RATE RELIEF

Awarded **\$28.9 million** in grant funding to **107** Participating Financial Institution (PFI) members

Resulting in **\$309.6 million** in reduced-rate mortgages to finance affordable homeownership for more than **1,500** low- and moderate-income households

HABITAT FOR HUMANITY ADVANCE RATE DISCOUNT

24 FHLB Des Moines members **originated \$100 million in advances** - receiving 0% rate advances to finance affordable homeownership for over **800** low-and moderate-income households



ANALYZING THE DISTRICT'S AFFORDABLE HOUSING NEEDS

The Advisory Council regularly assess the geographic distribution of affordable housing products to evaluate the extent to which awards are made throughout the Bank's district, which encompasses 13 states and three U.S. territories.

As part of this regular assessment, we recognized an opportunity to enhance the effectiveness of the 2024 Down Payment Products, which prompted the following amendments to the 2024 AHP Implementation Plan:

- \$3 million in additional funding for a total 2024 allocation of \$12 million
- More funds made available during homebuying season
- Allow unused funds from NAHL to be transferred to Home\$tart

For 2025, the Advisory Council recommended that the Bank continue to offer significant investments in affordable housing by maintaining the following:

- Competitive AHP grants of up to \$3 million per project and \$150,000 per unit
- Down Payment Product grants of \$15,000 per household for Home\$tart or \$25,000 for NAHL and Home\$tart grants for homes located in Hawaii

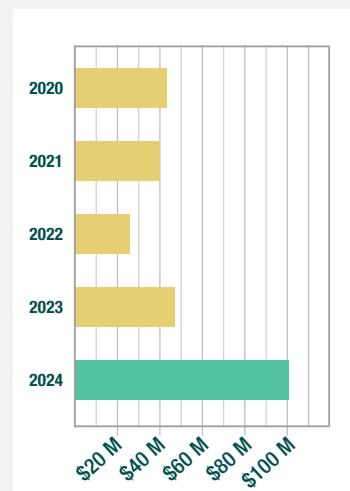
Also, for 2025, the Advisory Council recommended changes to the AHP scoring criteria to support areas of the FHLB Des Moines district that have been historically challenged to compete for AHP funds, specifically:

- 2 points for projects that did not receive an AHP award in the prior year
- 18 points for projects located in Hawaii

Competitive AHP Awards by Year

AHP grants are funded by 10% of the Bank's earnings.

The more members use the cooperative, the more funding is available for AHP awards.



Fund Distribution in 2024

Every state and U.S. territory in the Bank's district received an award from at least one core or voluntary product and at least one AHP application was received from every state in the district as well as two U.S. territories.

VOLUNTARY FUNDING

Voluntary funding provides an opportunity for FHLB Des Moines to deliver creative and innovative products and has been a catalyst for members' community engagement.

2024 Voluntary Programs

FHLB Des Moines expensed more than **5%** of its prior year net income for a total of

\$68 M

in voluntary funding.

246

FHLB Des Moines members participated in available programs.

CAPITAL TO COMMUNITIES

On July 11, 2024, FHLB Des Moines hosted a Capital to Communities workshop in Salt Lake City, Utah for FHLB Des Moines members, housing leaders and community stakeholders. The event welcomed over 60 attendees including Utah's Advisory Council representative, Michael Akerlow and members of the FHLB Des Moines board of directors, Ruth Bennett, Cleon Butterfield and Elsie Meeks.

The event included a listening session where local leaders spoke about Utah's affordable housing needs and priorities. The Bank presented information about its competitive AHP and Down Payment Products and encouraged partnerships between its member financial institutions and local affordable housing organizations.



FHLBANK SYSTEM AT 100: FOCUSING ON THE FUTURE

In 2024, the Bank's regulator, the Federal Housing Finance Agency (FHFA), continued its comprehensive review of the Federal Home Loan Bank (FHLBank) System as summarized in its FHLBank System at 100: Focusing on the Future report. The Advisory Council remained engaged in the FHFA's review of the FHLBanks such as by assessing FHFA-identified priority areas for affordable housing and responding to a FHFA Request for Input related to the AHP application process.

FHLBank System at 100: Focusing on the Future *Assessment of FHFA-Identified Priority Areas*

In its report, the FHFA identified five affordable housing priority areas for the FHLBanks to consider addressing through their products and services. Advisory Council analysis concluded that FHLB Des Moines' Community Investment products are reasonably responsive to these five priorities. A summary of the Advisory Council's analysis is included in the 2025 Targeted Community Lending Plan (TCLP).

Application Process for Affordable Housing Program *FHFA Request for Input*

The Advisory Council provided a detailed response to the FHFA's Request for Input and requested the FHFA to simplify the administration of the AHP by, among other things, deepening its appreciation for AHP's role in the affordable housing spectrum and addressing certain complications in how the need for AHP subsidy is evaluated.

The Advisory Council's collective in-the-field experience positioned our input to be connected to our deep understanding of how members use FHLB Des Moines products and services, as well as the complexity and down-stream impact of proposed changes.

COMPETITIVE AFFORDABLE HOUSING PROGRAM

Grants for the purchase, construction or rehabilitation of affordable homeownership or rental housing.

Competitive AHP 2024

\$100.3 M

awarded to **41**
members

2,015

units of
affordable housing

55

affordable homeownership
or rental projects

52 provide at least 20% of the homes to households with special needs

34 support housing for unhoused people

25 are located in rural areas

9 provide housing to Native communities

7 preserve affordable housing

Competitive AHP Since Inception

\$833.4 M

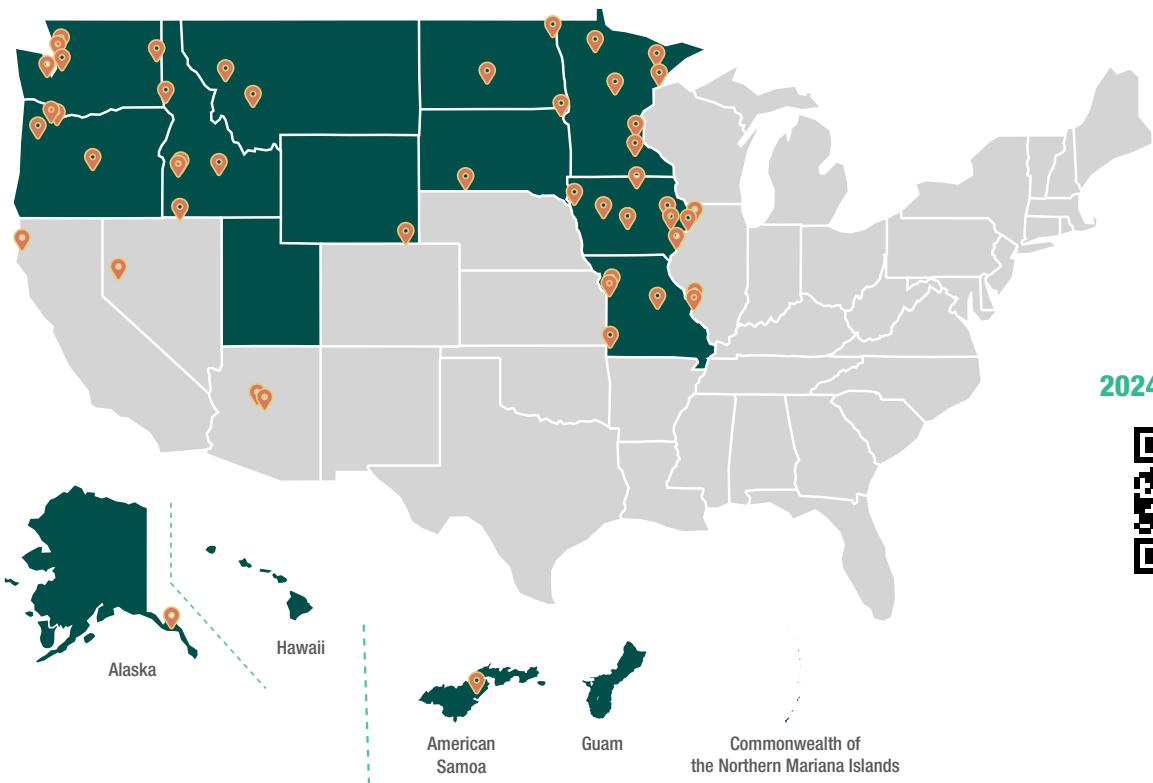
awarded to member
financial institutions

95,549

affordable
homes

2024 Awarded AHP Projects

2024 was a record year for the amount of AHP funds awarded, driven by member usage of the Bank's core business products.



2024 AWARD LIST



AHP FEATURE

CARONDELET LIVING

St. Louis, Missouri

Through Carondelet Living's program, homeowners receive substantial repairs ranging from major system upgrades to addressing deferred maintenance.

All work is performed by licensed contractors and at no cost to the homeowner.

Project Type	Project #1: Rehabilitation
AHP Grant	\$985,600
AHP Units	35

Project Type	Project #2: Rehabilitation
AHP Grant	\$985,600
AHP Units	35

AHP Participating Member: Midwest BankCentre

"At Midwest BankCentre, community involvement isn't just a mission statement; it's a core value. We're committed to maximizing our community impact through partnerships with organizations like FHLB Des Moines, who share our vision. We're proud to support the Carondelet Community Betterment Federation and their work providing critical home repairs to those who need them most. The FHLB Des Moines AHP exemplifies how local banks and community partners can collaborate to deliver targeted grant funding that stabilizes housing, revitalizes neighborhoods, and strengthens our local economy."

Pete Zeiser

President,

Midwest BankCentre's Chesterfield Commercial Division

AHP Recipient: Carondelet Living

"These repairs are life-changing for the residents of this community. The grants from FHLB Des Moines have allowed our elderly and disabled homeowners to remain in their homes and age in place by providing substantial home repairs they are not able to afford on their own. Not only do the homeowners benefit but this leaves a legacy of housing stock for future homeowners for the St. Louis community."

Fred Hessel

Executive Director,
Carondelet Living

Awarded Scoring Criteria



Non-Profit or
Government Sponsorship



Income
Targeting



Economic Opportunity/
Empowerment



Community Stability,
Including Affordable
Housing Preservation



Underserved
Communities



Bank District
Priority

LEARN MORE



BEFORE



AFTER

AHP FEATURE

PEACE HOUSE COMMUNITY CAMPUS

Park City, Utah

Peace House provides both emergency shelter and transitional housing to individuals and families affected by domestic violence.

Project Type	Rental
AHP Grant	\$750,000
AHP Units	22

AHP Participating Member: Zions Bank

“For more than 30 years, Zions Bank has utilized AHP to partner with organizations that build or retain affordable housing units for our most vulnerable neighbors. We were honored to play a part in helping Peace House expand its capacity and provide a sanctuary for survivors to continue their journey on the path to wellness.”

Paul Burdiss

President and CEO,
Zions Bank

AHP Recipient: Peace House, Inc.

“The impact of this project on our community is profound. With the addition of the new space, we can offer safe, stable housing to those experiencing homelessness due to violence and abuse victimization, providing them with the support and resources necessary to rebuild their lives.

Affordable housing is not just an investment in buildings—it’s an investment in people, dignity, and the future of our communities.”

Kendra Wyckoff

Executive Director,
Peace House, Inc

Awarded Scoring Criteria



Non-Profit or
Government Sponsorship



Income
Targeting



Economic Opportunity/
Empowerment



Donated or
Discounted Property



Underserved
Communities



Bank District
Priority

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DOWN PAYMENT PRODUCTS

Equity for down payment and closing cost assistance for eligible homebuyers.

2024 Home\$tart

\$10.7 M

in down payment
assistance

785

eligible first-time
homebuyers served by
182 members

Down Payment Since Inception

\$172.7 M

2024 Native American Homeownership Initiative (NAHI)

\$335,000

in down payment
assistance

15

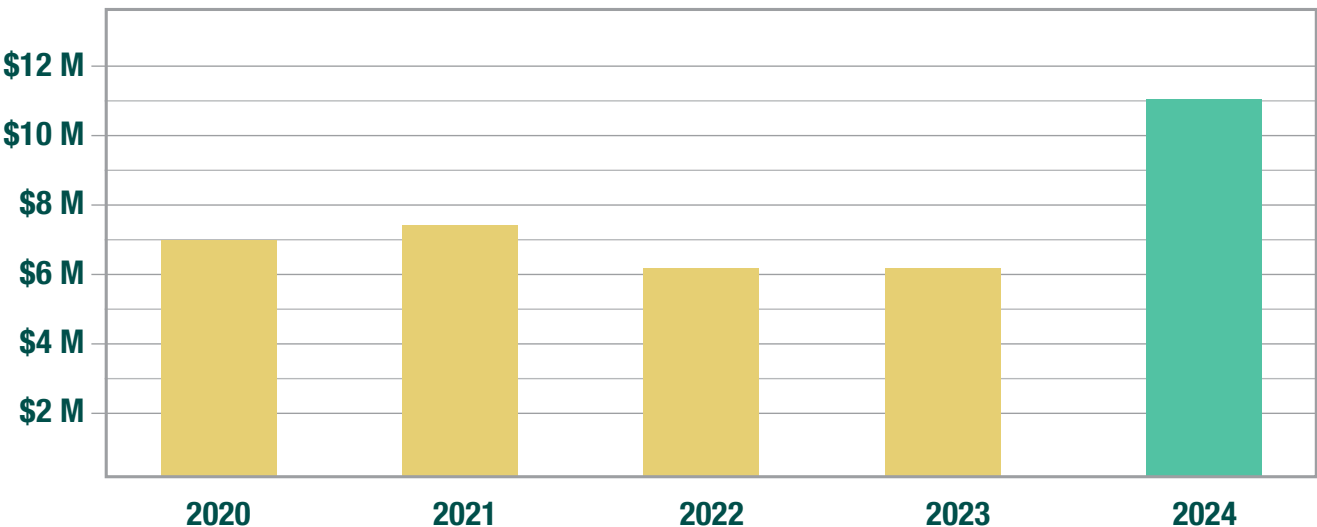
eligible Native homebuyers
served by
8 members

34,375

households

Down Payment Disbursements by Year

Down payment grants are funded by 10% of the Bank's earnings. The more members use the cooperative, the more funding is available for Home\$tart and NAHI.



DOWN PAYMENT PRODUCT FEATURE

COOK INLET LENDING CENTER (CILC)

Anchorage, Alaska

Making homeownership a reality for Alaskans through use of FHLB Des Moines Down Payment Products.

Financial Institution Type: Non-Depository CDFI

Down Payment Participating Member since 2016

Total Down Payment Disbursements since 2020

Home\$tart	\$132,500
NAHI	\$302,321

Down Payment Participating Member: Cook Inlet Lending Center

“Recently, Cook Inlet Lending Center was able to assist a borrower in Anchorage, Alaska, who, over the course of two years, went from being unemployed and homeless to becoming a first-time homeowner. Working with FHLB Des Moines on the NAHI grant added a substantial portion of the capital stack that allowed our borrower to access homeownership affordably in a state where housing is limited and, oftentimes, out of reach for a substantial portion of the population.”

Benjamin Moore

Residential Lending Manager,
Cook Inlet Lending Center

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COMMUNITY INVESTMENT ADVANCES (CIAs)

Reduced-rate advance to support affordable housing and economic development projects that meet targeted needs. CIAs are available to members on a non-competitive basis throughout the year.

CIAs Since Inception

10,786

advances

\$16.5 B

in reduced-rate funding

2024 CIAs

338

advances in 2024 to
164 members

\$1.4 B

in reduced-rate funding

CIA FEATURE

COMMUNITY FIRST GUAM FEDERAL CREDIT UNION

Guam

In 2024, Community First Guam Federal Credit Union leveraged a CIA to help create more than \$40 million in residential and commercial mortgages on island, making them the second largest mortgage producer in Guam for the year.

Community First Guam Federal Credit Union was established in 1962 and is the oldest local credit union in Guam. With more than 12,000 members island-wide and growing, this member is committed to promoting community development and improving the social and economic conditions of the underserved residents and entities of Guam.

CIA Participating Member: Community First Guam Federal Credit Union
“As a Community Development Financial Institution (CDFI) and Low Income Credit Union (LICU), meeting our mission to support initiatives that uplift the communities underserved is made possible by access to capital from institutions like FHLB Des Moines.”

Financial Institution Type: Credit Union

FHLB Des Moines member since 2003

CIA Project Type Housing

CIA Amount \$5 million

Gerard A. Cruz

President and CEO,
Community First Guam Federal Credit Union

LEARN MORE



AFFORDABLE HOUSING ADVISORY COUNCIL

The Advisory Council is comprised of a diverse group of 15 housing leaders with strong working knowledge and experience of housing affordability challenges within the FHLB Des Moines district. Together we represent each of the 13 states in the Bank's district as well provide a voice for Native communities and homeless households.

Oregon [Sean Hubert, Chair](#)

Utah [Michael Akerlow, Vice Chair](#)

Alaska [Christopher Perez](#)

Hawaii [Heather Piper](#)

Idaho [Sunny Shaw](#)

Iowa [Lance Henning](#)

Minnesota [Amanda C. Novak](#)

Missouri [Kevin Bryant](#)

Montana [Don Sterhan](#)

North Dakota [Brent Ekstrom](#)

South Dakota [Angeline Marshall](#)

Washington [Bob Peterson](#)

Wyoming [Wendy Martinez](#)

At large [Renee Stevens](#)

At Large [Juel Burnette](#)

A Closer Look at Our District

In July, the Advisory Council held a workshop in Salt Lake City, Utah to further understand the unmet housing needs and market opportunities in the state. The event focused on learning about the state's affordable housing needs from a range of local experts, including representatives with backgrounds in academia, state policy, local funding and practitioners. Additionally, the Advisory Council toured Peace House, a 22-unit AHP project that provides emergency shelter and long-term transitional housing to women and families fleeing domestic violence.

Advisory Council members are selected for their knowledge and experience serving affordable housing and community economic development.

**LEARN MORE ABOUT OUR
ADVISORY COUNCIL**

