

2011



FEDERAL HOME LOAN BANK OF DALLAS

Advisory Council Annual Report

*people  
programs  
possibilities*

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## Letter from the Chairman

The Federal Home Loan Bank of Dallas (Bank) is proud to present its 2011 Advisory Council Annual Report, which highlights our community investment activity during 2011.

Each year, the Federal Home Loan Bank of Dallas (Bank) presents its Advisory Council Annual Report as testament to its accomplishments in promoting affordable housing and economic development in communities served by our members. The year 2011 was full of challenges and triumphs as our members continued to heavily utilize the Bank's products and services as a source of support for various affordable housing and economic development projects throughout our five-state District of Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

As chairman of the 2011 Advisory Council, I am proud to present the 2011 Advisory Council Annual Report, "People. Programs. Possibilities.," on behalf of the Bank and the Council. The Bank awarded more than \$16 million in grant funds through its multiple affordable housing and economic development grant programs. More than \$11 million was awarded to 53 projects through the Affordable Housing Program (AHP), which assisted with the construction or rehabilitation of 1,653 owner-occupied and rental housing units.

Nearly \$4 million in additional grant funds was awarded through the Bank's set-aside programs, including the Homebuyer Equity Leverage Partnership (HELP) program and Special Needs Assistance Program (SNAP). These programs target individuals and families in need of assistance – whether they are a first-time homebuyer, or a special needs homeowner

in need of critical home repairs. These grant programs are designed to provide funding to help families fill a funding gap and promote affordable, safe, quality housing.

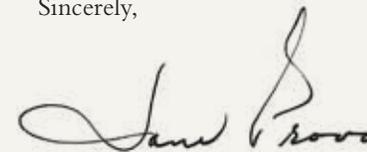
The Bank allocated an additional \$1 million in Economic Development Program Plus (EDPPlus) grants in 2011 to promote small business and community development in communities served by our members. EDPPlus grants assist aspiring small business owners with purchase and startup costs, expansion expenses, hiring additional employees, as well as to stock inventory and enhance product offerings. These grants provide local small business owners additional working capital to help their businesses succeed.

An additional \$225,000 was allocated by the Bank under another special program – the Partnership Grant Program (PGP) – a program through which the Bank assists its members in providing funding for the operational needs of community-based organizations. The Bank, through its members, awarded 40 PGP grants in 2011 to assist 19 organizations with their operating and administrative expenses. The program has been so popular in past years that the Bank moved to a lottery system this year to select PGP award recipients. Previously, the funds have been awarded on a first-come, first-served basis. The change this year has allowed more opportunity to organizations throughout the Bank's District to access the program.

The Bank also introduced a new grant program in October 2011 – Housing Assistance for Veterans (HAVEN). HAVEN provides grant funding for home modifications to veterans and active-duty service members who have been disabled in the line of duty since September 11, 2001. The addition of HAVEN allows our members to further assist a population that has made life-changing sacrifices for our country.

I would like to thank all participating member institutions and sponsor organizations that utilized the Bank's programs in 2011 to support the creation and rehabilitation of affordable housing and economic development within their communities. Without the initiation of these projects, the Bank would not be able to adequately address the needs within our District. The people highlighted in the 2011 Advisory Council Annual Report are only a small sampling of how our partnerships with our members and participating sponsor organizations can impact the greater community. We look forward to continued success as we embark on another year.

Sincerely,



Jane Provo

2011 Advisory Council Chairman

## Executive Summary

Each year, the Federal Home Loan Bank of Dallas (Bank) faces new challenges in addressing the needs of its member institutions and the communities they serve. As new challenges arise, the Bank and its members work together in finding solutions that can address the affordable housing and economic development demands across the Bank's five-state District, which includes Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

As communities in the Bank's District continue to recover from the recent financial crisis, our members have diligently pursued the Bank's programs to provide liquidity and support. The Bank's 2011 Advisory Council Annual Report, "People. Programs. Possibilities." takes an in-depth look at the Bank's programs and a handful of projects that have helped strengthen communities and uplift families.

First and foremost, it is the people that initiate change – whether affiliated with our member institutions, a nonprofit sponsor organization, the families whose lives are forever changed by these programs, or the hundreds of volunteers who make many of the projects possible – people are the key component in the success of these projects.

The Bank continues to evolve its affordable housing and economic development programs to better accommodate the needs of its members and the communities they serve. Our programs promote various multifamily and single-family affordable housing projects, including both rental and owner-occupied housing. The Bank has also designated programs to assist first-time homebuyers, and special needs homeowners in need of critical home repairs. In addition, the Bank continues to support local business development and community revitalization projects through its Economic Development Program and Economic Development Program Plus. Together, these programs enable the Bank to offer a complete product line for the use of our members.

Finally, because of the people and programs that are involved with these projects, a window of possibilities is opened for the entire community. Families that have rented a home for decades can finally obtain the dream of homeownership, victims of homelessness or substance abuse can seek a safe haven for recovery, homeowners living in dilapidated conditions can make necessary home repairs, and local small business owners can open a storefront. These possibilities would not be possible without the diligence of our members – who year after year, utilize the Bank's programs to assist deserving recipients. The Bank will continue to serve as a dependable resource to support the ongoing affordable housing and economic development projects for the betterment of the communities we serve.

*People. Programs. Possibilities.*

## Programs & Initiatives

### Housing Initiatives

#### Affordable Housing Program (AHP)

The AHP is a competitive grant program that addresses the housing needs of very low- to moderate-income individuals and families. Grant funds are used to purchase, construct, or rehabilitate owner-occupied and rental housing. FHLB Dallas awards AHP grants annually through its member institutions and local community-based sponsors.

In 2011, FHLB Dallas awarded \$11 million in competitive grants to assist 1,653 households. On average, each household received \$7,729 for owner-occupied housing (directly), and \$6,119 for rental housing (indirectly).

#### Homebuyer Equity Leverage Partnership (HELP)

The HELP program is a first-come, first-served set-aside grant program that addresses the housing needs of very low- to moderate-income individuals and families. Grant funds are used for down payment and closing cost assistance for eligible first-time homebuyers.

In 2011, FHLB Dallas awarded nearly \$1.7 million in grants to assist 307 households.

On average, each household received a \$5,500 grant to assist with down payment and closing costs.

#### Special Needs Assistance Program (SNAP)

Now in its third year of offering SNAP grants to assist eligible special needs homeowners with rehabilitation and modification costs, FHLB Dallas offers SNAP on a first-come, first-served basis through FHLB Dallas's participating member financial institutions. In 2011, FHLB Dallas awarded \$2.1 million in grants to assist 391 households. On average, each household received a \$5,367 grant to assist with the cost of modifying or rehabilitating the home.

#### Community Investment Program (CIP)

The CIP provides favorably priced advances to member financial institutions making loans that support single- and multifamily housing for income-qualified households. The program is available throughout the year on a noncompetitive basis.

In 2011, FHLB Dallas issued \$12.1 million in CIP advances to finance 153 single-family homes and four multifamily developments.

FHLB Dallas also provides AAA-rated Letters of Credit (LOCs) on behalf of its member institutions. In 2011, FHLB Dallas issued seven LOCs to four member institutions totaling \$38.4 million. These LOCs were used to: (1) build tax credit housing developments for low- to moderate-income families; (2) construct assisted living facilities; and, (3) provide funding for various affordable housing programs, including the Housing Choice Voucher Program (Section 8) and homeless facilities.

## Economic Development Initiatives

### Economic Development Program (EDP)

The EDP is the economic development counterpart to CIP, providing favorably priced advances to member institutions making loans to finance economic development or commercial revitalization projects. To qualify for EDP financing, a business must create or retain jobs for low- to moderate-income people and be located in a low- to moderate-income census tract or have a customer base comprised predominantly of low- to moderate-income individuals. Funds are available throughout the year and can be used by small businesses or communities for construction, capital improvement, health facilities, industrial facilities, public works projects, or other types of projects.

In 2011, member institutions borrowed \$112.6 million to finance 110 economic development projects that created or retained 2,883 jobs. Additionally, FHLB Dallas issued 87 LOCs totaling \$715.9 million to 28 member financial institutions for economic development.

### Economic Development Program Plus (EDPPlus)

EDPPlus helps stimulate small business growth through grants of up to \$25,000 to eligible businesses to promote economic development and create or retain jobs. EDPPlus also provides member financial institutions a way to provide capital to businesses in underserved areas and/or with underserved populations. Grant recipients contribute equity and receive small business

management training, while member institutions provide a portion of the financing for the small businesses.

FHLB Dallas provided \$985,316 in grants through 23 member institutions for 48 economic development projects.

## Special Programs

### Partnership Grant Program (PGP)

The PGP enhances the operational capacity of community-based organizations that provide affordable housing, local community development funds, or small business technical assistance. The program encourages relationships between community-based organizations and member financial institutions, while also complementing the development activities currently fostered by the AHP and CIP. These matching grants are among the few resources available to community-based organizations to offset operating and administrative expenses.

In 2011, FHLB Dallas provided \$225,000 in the form of 40 grants to 19 qualifying organizations throughout its five-state District.

### Housing Assistance for Veterans (HAVEN)

In October 2011, FHLB Dallas announced a new grant program that targets veterans and service members who have served the country since the tragic events of September 11, 2001. The HAVEN program is a unique housing program designed to provide grants to households of veterans or active service members who were disabled as a result of their active military service since the September 11 attacks. Through the HAVEN program, FHLB Dallas allocated \$250,000 in grant funds that member institutions can access to assist the households of veterans and service members with modifications that are directly related to the veteran's or service member's service-related disability. Such modifications can include the installation of grab bars and ramps, door widening, and lowering of countertops. Funds are still available for this program, and the Bank continues to promote awareness of HAVEN to its members and within the community.

## Northwest Regional Housing Authority's Partnership with FHLB Dallas and Bank of the Ozarks Assists Low-Income Families

**Member:** Bank of the Ozarks

**Location:** Harrison, Arkansas

**Program:** Affordable Housing Program (AHP)

Since 2006, the Northwest Regional Housing Authority (NWRHA) and its Mutual Self-Help Housing Program have assisted 45 lower-income families in northwest Arkansas with home purchases through Affordable Housing Program (AHP) grants from the Federal Home Loan Bank of Dallas (FHLB Dallas) and Bank of the Ozarks (an FHLB Dallas member institution).

In 2011, the organization used a \$67,500 AHP grant awarded by Bank of the Ozarks and FHLB Dallas to complete the remainder of 15 homes for eligible families.

“The Mutual Self-Help Housing Program has built 70 homes in the area since 2004,” said Ken McDowell, executive director of NWRHA. “By assisting people with homeownership, we are also creating jobs, building infrastructure, changing lives, and more importantly, the program is improving the quality of life.”

“The AHP grants help our families obtain affordable homes, especially now, with the current state of the housing market,” said Vicki Stratton, director of the NWRHA’s Mutual Self-Help Housing Program.

“Otherwise, our families would not be able to afford homes. I have some families who would not be able to come up with 20 percent down on a home. The grants also help our families to obtain more house for their money, especially our disabled families.”

One family who has been helped by an AHP grant is Kelcey and Kaytlin Knapp. The young Harrison, Arkansas, family had two things to celebrate in 2011. They welcomed their second child, Kynzlie, in November, and they were able to bring her home to their very own new home.

The Knapps’ road to homeownership began when Mr. Knapp, a product delivery driver for a soft drink bottling company located in Harrison, and Mrs. Knapp, a stay-at-home mom, learned their second baby was on the way. They knew they needed more space, but didn’t think they could afford a mortgage.



Kelcey and Kaytlin Knapp were able to accommodate their growing family with the help of an AHP grant that lowered their mortgage cost.

The Knapps learned of NWRHA’s program through a speaker at church. With the help of an AHP grant from FHLB Dallas and Bank of the Ozarks, the Knapps were able to receive down payment and closing cost assistance on their new home in Harrison, Arkansas. It was built just in time for Kynzlie’s arrival.

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*“By assisting people with homeownership, we are also creating jobs, building infrastructure, changing lives, and more importantly, the program is improving the quality of life.”*

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We needed a bigger place because we started having kids,” Mr. Knapp said. “Everything seemed pretty expensive, and we didn’t know if we could ever afford a house payment. We were at church, and a lady spoke about this program. We looked into it and it seemed like a good deal. We’re very glad that we found out about it.”

Bank of the Ozarks utilizes several of FHLB Dallas’s grant programs. In 2011, approximately \$270,000 in AHP grants was awarded through Bank of the Ozarks to support three affordable housing projects in Arkansas, including another \$105,000 AHP grant to NWRHA to assist another 15 very low- to moderate-income, first-time homebuyers in northwest Arkansas with down payment and closing costs.

“Bank of the Ozarks has seen first hand the impact NWRHA and its housing programs have made on families in our communities,” said Martie North, vice president and director of community development at Bank of the Ozarks. “We are pleased that another 15 hard-working families will be able to own their own homes through our partnership with NWRHA and FHLB Dallas. We are so proud to be a part of creating quality, affordable housing in northwest Arkansas.”

The grant couldn’t have come at a better time.

“I was so excited to get this grant because we are finishing up the homes that were funded under the last AHP grant we received,” Ms. Stratton said. “We’ve got two families left. We’ve also added two counties to our coverage area –

Madison and Baxter counties. Those are large areas for us, and we can always put additional funding to good use.”

The NWRHA utilized United States Department of Agriculture (USDA) 502 loan funds and the Mutual Self-Help Housing Program, allowing each new homeowner to obtain mortgage financing directly through USDA. The Mutual Self-Help Housing Program is a federal program to assist low-income families with homeownership. Participants agree to help each other build their homes and form building cooperatives. Homeowners build “sweat equity” by contributing 65 percent of the construction labor.

Mr. Knapp says he and his family love their new home. In addition to new baby, Kynzlie, the couple also have a 2-year-old son, Kyler.

“It is exciting to know we were able to help this family achieve their dream of homeownership,” said Ms. North. “Bank of the Ozarks strives to be a community partner with entities such as the NWRHA in creating homeownership opportunities throughout Arkansas. Through this partnership, this family will be able to enjoy an affordable, brand new, energy-efficient home for years to come.”

Each year, FHLB Dallas returns 10 percent of its profits to the communities served by its member institutions in the form of AHP grants. AHP grants are used to purchase, construct, and/or rehabilitate single-family, transitional, and multifamily projects for very low- to moderate-income families. In 2011, FHLB Dallas awarded \$11 million in AHP grants to 53 housing projects that will help create, renovate, or purchase 1,653 housing units, including more than \$1 million to assist with 135 housing units in Arkansas.

“Our partnership with the Federal Home Loan Bank of Dallas and Bank of the Ozarks helps our community by putting families in homes for the first time,” said Mr. McDowell. “Sometimes, just help with closing costs and homeownership counseling can be the impetus for families to own their own place.” •

Kelcey and Kaytlin Knapp were able to buy their own home with the help of an FHLB Dallas grant program.



# Special Needs Assistance

## City's Partnership with First Victoria National Bank Assists 19 Families with Critical Home Repairs



Ethel Langley has lived in her home for more than 20 years. A \$7,000 SNAP grant allowed her to replace her leaking roof.



A \$6,750 SNAP grant allowed Audrey Hood to make her home more handicap-accessible after a stroke left her dependent on a walker.

**Member:** First Victoria National Bank  
**Location:** Victoria, Texas  
**Program:** Special Needs Assistance Program (SNAP)

In 2011, the city of Victoria, Texas, partnered with First Victoria National Bank to award a total of \$126,000 to 19 residents through the FHLB Dallas Special Needs Assistance Program (SNAP). With limited funding resources and a rising demand to assist special needs and elderly homeowners in Victoria, the city found SNAP grants to be the perfect match to help qualified residents make critical home repairs.

FHLB Dallas established the program in 2009 to provide its member institutions, such as First Victoria National Bank, the means to assist income-qualified, special needs homeowners with essential home repairs and modifications. Each SNAP recipient is eligible to receive up to \$5,000 in grant funds. Until 2012, if the participating member institution contributed at least \$350 toward costs associated with the rehabilitation, the homeowner was eligible to receive up to \$7,000 in SNAP funding.

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*“We continue to use SNAP year after year because it truly changes the lives of the recipients for the better.”*

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Ethel Langley was one of Victoria’s residents who qualified for SNAP funding through First Victoria National Bank in 2011. At age 63, she has lived in her Victoria home for more than 20 years, but weather and time had caused severe deterioration to her roof, leading to cracked and leaking ceiling and walls. Ms. Langley worked as a nurse’s aide for 33 years until severe osteoarthritis, which required two total knee replacement surgeries, forced her into early retirement. Although she is now less mobile and depends on disability payments to make ends meet, her outlook and spirit remain positive.

“My roof was in terrible shape,” said Ms. Langley, “and I certainly couldn’t afford to fix it. I just did the best I could to live with the problems, and I have always believed that good things come to those who wait. I kept my faith and knew things would work out one way or another.”

Ms. Langley was finally referred to Darlah Sims, community development coordinator at the city of Victoria, for assistance.

“Ms. Langley is an absolute angel,” said Ms. Sims. “We were able to qualify her for a \$7,000 SNAP grant to completely replace her roof. Three layers of old roofing were removed before the new roof was installed. She was incredibly grateful, and surprised, by the grant assistance. SNAP grants have made a tremendous impact on low-income homeowners in our city. It has allowed us to restore many dilapidated homes to a safe and livable condition so the homeowners can remain in their homes for years to come.”

Maria and Eliofredo Saldana also utilized SNAP funding to repair the damaged roof on their home. Mrs. Saldana is 73 years old and wheelchair bound, and her aging husband is no longer capable of making the repairs on his own. The couple lives on a very limited income, and the SNAP grant was their last hope of getting their damaged roof repaired.

Through the city and First Victoria National Bank, the Saldanas qualified for a \$6,050 SNAP grant to repair their roof. The repairs offered them an opportunity to stay in their home, where they have lived for 35 years raising both their children and grandchildren.

“This is our home,” said Mrs. Saldana. “We were forced to consider moving elsewhere because the damaged roof continued to deteriorate both the inside and outside of our house. But we had nowhere else to go. The house was not livable, but we couldn’t afford the repairs on our own. We are truly grateful for this program, and for the city and First Victoria National Bank. Their cooperation helped us save our home.”

Although roof repair and replacements are among the more common usages of SNAP grants, the funding can also be used for modifications to make the home more accessible to disabled residents. Such modifications include

widening doorways, lowering countertops, constructing ramps, and other necessary repairs.

Liz Freyer, senior vice president at First Victoria National Bank, works closely with Ms. Sims at the city to select eligible candidates for the program. First Victoria National Bank has utilized SNAP since the program's inception, and has witnessed increased demand for the program over the last two years. The \$126,000 awarded in SNAP funding in 2011 exceeded the bank's funding cap, and many candidates were put on a waiting list for available funding in 2012.

"It is very rewarding to see how the funds are used and how significantly these grants impact the everyday lives of the homeowners," said Ms. Freyer. "To see the before and after photos is just amazing. We continue to use SNAP year after year because it truly changes the lives of the recipients for the better. First Victoria National Bank is proud to give back to our community and help these families who are in dire need of assistance. These grants can change their lives forever."

Wiley and Lorese Goode and Audrey Hood used SNAP funds for modifications to make their homes more accessible. Mr. and Mrs. Goode lived in their home for 15 years, but as they aged, mobility issues made it more difficult to accomplish activities of daily living.

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*"These grants can change their lives forever."*

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"Things like getting in and out of the bathtub were difficult," said Mrs. Goode, who is 75 and has had knee replacement surgery. "I was constantly afraid I was going to slip or fall. We also had old, steep steps outside our front door, and often needed help just getting in and out of our home."

The Goodes received a \$6,790 SNAP grant, which allowed them to make their two bathrooms handicapped accessible by replacing the tub with a walk-in shower, adding grab bars, new flooring, and a new commode.



Lorese Goode shows her newly renovated bathroom after a \$6,790 SNAP grant assisted with accessibility modifications so that she and her husband could remain in the home as they aged.

The grant also helped them replace the old front steps with a ramp.

Delighted about the repairs and the grant assistance, Mrs. Goode said, "If they keep this program up, there are going to be a lot more healthy and happy people in this community."

Ms. Hood, 73, who has lived in her home for 47 years, now depends on a walker after a recent stroke, and her home was not suited to her disability.

"I was having a lot of trouble getting around my home, and even getting in and out of the front door," said Ms. Hood. "It just became so cumbersome and tiring. I really didn't want to move, and so many times I just felt like giving up."

Ms. Hood qualified for a \$6,750 SNAP grant with help from the city and First Victoria National Bank. The grant was used to modify the thresholds in the doorways of her garage and kitchen to accommodate her walker, as well as build a ramp and sidewalk outside her home to the front door. Her bathroom has also been renovated with handicap-accessible fixtures.

"I am so very thankful," said Ms. Hood. "It has made such a difference in my life. It has just made everything a bit easier."

The city's partnership with First Victoria National Bank has paved the way to assist an increasing number of special needs homeowners in Victoria each year, and exemplifies how organizations working together can critically impact the lives of the community.

"So many of our local residents live on fixed incomes below the poverty line," said Ms. Sims. "When extra expenses such as roof repair or handicap-accessible modifications arise, these families either postpone or completely go without the repairs, which can result in bigger problems. We have found SNAP to be a great resource. It is easy to use, lifts spirits, and improves the daily lives of our recipients."

In 2011, FHLB Dallas made \$2.1 million in SNAP funding available to its members, of which \$612,000 was awarded in Texas to assist 101 special needs households. •

## Affordable Housing Complex Helps Boost Albuquerque's Transit District

**Member:** Los Alamos National Bank

**Location:** Albuquerque, New Mexico

**Program:** Affordable Housing Program (AHP)

Phase II of Albuquerque, New Mexico's Silver Gardens Apartments, opened in March 2012 with a ribbon-cutting celebration that drew community supporters, city officials, and financial contributors.

Silver Gardens Apartments is a mixed-income housing development with an integrated tenant mix, including households ranging from very-low income to individuals paying market rate. The units are a mix of studios and one- and two-bedroom units. Phase I, consisting of 66 rental homes, was completed in Spring 2010 and is fully occupied.

Silver Gardens II contains 55 units, 14 of which were set aside as permanent supportive housing for residents with special needs.

The project leveraged an array of city, state, federal, and conventional financing. Sources of funds include a conventional first mortgage, housing tax credit proceeds, and a city of Albuquerque Workforce Housing Grant.

The adjacent parking garage was funded by \$3.4 million from the city of Albuquerque.

FHLB Dallas and Los Alamos National Bank awarded Silver Gardens II a \$315,000 Affordable Housing Program (AHP) grant in 2010.

"We are very pleased to be involved and appreciate what the FHLB Dallas's investment allows to happen in the community. We're excited to see the impact this new development will have on our community," said Jill Cook, senior vice president of Los Alamos National Bank.

Silver Gardens II complements Silver Gardens I, the first affordable, mixed-income rental housing within the Transit District, and the first new housing development in Albuquerque in a decade. Silver Gardens builds on extensive city, private sector, and Historic District Improvement Company (HDIC) investments, including new train and bus terminals; a theater block comprised of office, retail, and entertainment facilities; the Gold Street Lofts; and a new parking structure. Silver Gardens I and II, in combination with an office project and a for-sale townhome project currently under construction will yield an estimated 250 new housing units in the

Transit District over the next several years. The new development has state officials lauding the projects.

"The value of the Silver Gardens project to this community cannot be overstated," said State Senator Jerry Ortiz y Pino, (D-Albuquerque). "And almost as important as the desperately needed housing units it provides is the timing of its construction. At a low point in building project activity, when the industry in Albuquerque was close to flatlining, this venture has meant jobs, contracts, and an economic spark we deeply appreciate. As a public-private partnership, it is a wonderful example of many levels of government each shouldering a portion of the burden for the good of all of Albuquerque."

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*"We are very pleased to be involved and appreciate what FHLB Dallas's investment allows to happen in the community. We're excited to see the impact this new development will have on our community"*

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Silver Gardens is being developed by and is owned and operated in partnership with Romero Rose, LLC, the Albuquerque affiliate of the Jonathan Rose Companies.

"This 55-unit Phase II project is serving as a catalyst for downtown revitalization and models the very best in infill and transit-oriented development," said Dave Klimut, executive director of SHC-NM, a partner in the project. "Like Phase I, this award-winning design has been complemented with a LEED Platinum designation. Silver Gardens was the first affordable housing development in the country to sell carbon offsets. We are proud to have partnered with the Federal Home Loan Bank of Dallas, Los Alamos National Bank, and Romero Rose, LLC to create housing that will be an asset to the entire community." •



Albuquerque Mayor Richard Berry conducts the honorary ribbon cutting among a crowd of supporters in March.

Silver Gardens serves very low-income residents, as well as tenants who are able to pay market-rate rent. It is expected to be a catalyst for downtown redevelopment.



# Letter of Credit

## Letters of Credit Help School District to Alleviate Overcrowding

**Member:** City Bank

**Location:** Lubbock, Texas

**Program:** Letter of Credit (LOC)

Three years ago, the Lubbock-Cooper Independent School District (ISD) experienced extreme growing pains. The district's enrollment grew 11 percent during the 2008–09 school year after sustaining annual average growth of 8.7 percent per year in each of the five prior years.

“At one point we were the second fastest-growing school district in the state,” said Lubbock-Cooper ISD Deputy Superintendent Thom Vines. “The recession has slowed it a little, but that means instead of growing 12 percent per year, we are growing at about 8 percent.”

The school district is located on the southern side of Lubbock County. It has about 30 percent of its enrollment area within Lubbock, but it's primarily a suburban district that is growing rapidly.

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*“The success of these projects has been an incredibly positive accomplishment for the district and the future of our community.”*

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“A decade ago, we had one elementary school. Now we have four, and land for five,” Mr. Vines said. “Growth has been primarily at the elementary school level, but as students move to the next grade, that translates to growth across all of our schools.”

At one point, North Elementary School had 1,020 students. The student body overflowed the main school building to require 32 portable units. In addition, teacher-student ratios were growing at a disproportionate rate.

Fortunately, the district's voters approved an \$80 million bond issuance in May 2009 for the construction of a new elementary school and middle school, improvements to the existing schools and facilities, and the construction of a new football stadium.



Central Elementary School opened in 2011, easing some of the overcrowding at other elementary schools.

In August 2011, Central Elementary and Laura Welch Bush Middle schools opened, alleviating much of the growing pains the district had experienced over the last few years.

“We didn’t have the attitude of ‘if we build it they will come.’ They were already here, and we had to do something,” Mr. Vines said. “We continue to grow, and adding these buildings has alleviated the crowding to a large degree. If the voters hadn’t approved these bonds and we had not been able to secure the bonds, the quality of our education was going to suffer.”

Prior to the distribution of funds required to begin construction on the school project, Lubbock-Cooper ISD approached City Bank in Lubbock to deposit the funds from the bond election. Because a construction project such as the one Lubbock-Cooper ISD was undertaking usually takes some time to complete, the school district needed to deposit the funds with a banking institution so that the proceeds from the bond issuance could be used over time.

City Bank used a Letter of Credit (LOC) from FHLB Dallas to secure the public unit deposits from the bond election. Banks typically use FHLB Dallas LOCs to secure public unit deposits that exceed the amount covered by FDIC insurance.

An FHLB Dallas LOC allows member financial institutions to retain securities for liquidity and other purposes.

“City Bank is able to take on more public funds because we can secure them through the Federal Home Loan Bank of Dallas,” said Sandy Wallace, senior vice president and chief financial officer at City Bank. “We were one of the first banks in Texas to use FHLB Dallas Letters of Credit. At one time we had in excess of \$200 million in LOCs, which was our all-time high.”

In 2011, FHLB Dallas issued \$128 million in LOCs to support 18 projects for City Bank.



Laura Welch Bush Middle School helped alleviate crowding in the Lubbock-Cooper ISD.

“If we went out and bought securities that would affect how we bid for public funds. By utilizing the EDP, it’s just a minimal cost to us for the Letters of Credit,” said Ms. Wallace. “Our public entities really like FHLB Dallas LOCs because they don’t have to monitor their collateral position.”

Ms. Wallace was able to see first-hand how City Bank’s support affected the community. She was invited to attend the dedication of Laura Welch Bush Middle School, where former First Lady Laura Bush was present.

“How outstanding to be part of dedicating the school,” Ms. Wallace said. “We’ve always taken pride in covering our public entities, and so many of them now request LOCs simply so they don’t have to worry about the market values declining. We appreciate FHLB Dallas, and all that it does for us.”

Securing public unit deposits helped the school district accomplish its immediate goal of financing the construction of two new schools, which positively impacted the county.

“We had to build these schools,” Mr. Vine said. “This wasn’t an ‘it would be nice to do this’ project. We had to relieve the congestion, alleviate the large class sizes, and remove all the portables. The success of these projects has been an incredibly positive accomplishment for the district and the future of our community.” •

Lubbock-Cooper ISD voters approved a bond package that included funds to build the Laura Welch Bush Middle School.



## Economic Development Grant Lends Boost to French Quarter Perfumery

**Member:** Bank of New Orleans

**Location:** New Orleans, Louisiana

**Program:** Economic Development Program/EDPPlus

Hové Parfumeur has been in business in New Orleans's French Quarter since 1931 as a family-owned business spanning several generations. With the help of a grant program and business loan, owners Amy and Bill Wendel expect the business to be around a lot longer.

The Wendels, who acquired the business in 2003, were running out of space at the store's former location on Royal Street when they discovered an empty building at 434 Chartres Street that would be perfect for their growing business.

"We noticed it had been for sale for a while. It looked like an ideal location where we could move our business to increase foot traffic," said Mrs. Wendel.

The charming, three-story property constructed in the mid-1800s contained 2,625 square feet, including a ground floor retail area that featured a finished walk-up mezzanine space totaling 1,263 square feet. The second and third floors contain a two-story, two-bedroom, two-bath residential apartment.

The Wendels learned through their banker at Bank of New Orleans that they could qualify for the FHLB Dallas's Economic Development Program (EDP). Through the program, the Wendels were able to qualify for financing from Bank of New Orleans, funded by an EDP advance from FHLB Dallas. They also qualified for a \$25,000 EDPPlus grant from FHLB Dallas.

"The grant was extremely helpful," said Mr. Wendel. "As you know, loans have many costs associated with them, as do renovations of a building. Having the grant helped with these costs, and it was truly appreciated."



Amy Wendel is grooming her daughter, pictured, to take over the family's perfumery business.

Amy and Bill Wendel, the owners of Hové Parfumeur received assistance from the FHLB Dallas's Economic Development Program to purchase a new building for their business.



"The grant and loan allowed them to continue operating their business in a much better location," said Floyd Smith, assistant vice president and commercial loan portfolio manager at Bank of New Orleans. "Their old location on Royal Street was mainly surrounded by high-end antique shops. Now they are in an area where they get a lot more tourist traffic."

Bank of New Orleans, a member institution of FHLB Dallas, has utilized the EDP for several years.

"As a member of the Federal Home Loan Bank of Dallas, Bank of New Orleans is proud to help small businesses by awarding economic development grants. It is local projects such as the Wendels' that help create jobs and foster economic development throughout the region," said Bank of New Orleans President and CEO Lawrence J. LeBon, III.

Hové has continued to thrive in its new location, especially during the store's busy season, which starts in October.

"The move puts us right in the heart of the shopping district," Mrs. Wendel said. "We're getting tons of new customers, and that was our intention. We still have our regular customers, but our shop is now being seen by new sets of eyes that never would have made it down to the lower end of Royal Street. And that's how you get a business to grow and are able to stay around for another 80 years."

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*"As you know, loans have many costs associated with them, as do renovations of a building. Having the grant helped with these costs, and it was truly appreciated."*

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Hové offers perfumes, colognes, solid perfumes, powders, body oils, lotions, candles, and other items. Hové blends all of its own oils, and has 53 scents.

The new building has also enabled Hové to double its retail space, which has allowed expansion for new product lines. Mrs. Wendel has added a clothing boutique at the rear of the store, where she displays a signature Hové clothing line, as well as those of other designers. Like many traditional New Orleans business owners, the Wendels reside in the apartment above the store.

"It's an experience when you walk into Hové. We are very exclusive. This business is a dying breed," Mrs. Wendel said. "Sometimes it's heartbreaking to know that, but that's why people are attracted to us. We're exclusive and unique, and we spend that one-on-one time with customers."

Hové was started in 1931 by Mrs. Alvin Hovey-King. As the daughter of a Calvary officer, and wife of a Navy commander, she spent much of her life traveling around the world, expanding her love of making her own perfume, a craft learned from her French Creole mother. The trade has been passed to daughters and nieces

through generations and marriage. When her aunt and uncle, who were the previous owners, retired in 2003, Mrs. Wendel and her husband purchased the business.

Mrs. Wendel hadn't always planned to go into the family business. She studied marketing in college, and it wasn't until she started working at Hové's right out of college that she gained an interest in the fragrance business.

"In that first two or three months of working at the store I was hooked," she said. "I fell so in love with Hové. I knew that's what I wanted to do." So when she had the opportunity to buy the business, and later move to the new store location, she was brimming with new ideas.

Under Mrs. Wendel's leadership, Hové has expanded all 53 fragrances into lotions and bubble baths, expanded the soaps, and created an entire line of powders in addition to the five bestsellers Hové previously offered. The store also began selling room sprays and candles.

"This was my time to put a little piece of Amy into Hové," Mrs. Wendel said. "When I took over 10 years ago, the shop was beautiful on Royal Street but it wasn't me. I never tweaked it and made it my own. The new store turned out perfect. This new store finally gave me a chance to make it my store. Each generation, each past aunt was able to contribute something to Hové in keeping it around for so long. I think I will have done a really good job when it's time to pass it along to my daughter." •

Since taking the helm of the perfumery, Amy Wendel has expanded the store's offerings to include candles and apparel.



# Affordable Housing

## Residential and Community Services Facility for Homeless Residents Opens in Baton Rouge



One Stop opened in late 2011 to serve as a one-stop shop for homeless individuals trying to get back on their feet.

**Member:** Whitney Bank

**Location:** Baton Rouge, Louisiana

**Program:** Affordable Housing Program (AHP)

A year ago, 22-year old Jessica Clark was sitting in a jail cell as her probation officer urged her to get help with her substance addiction or to be prepared for a long jail sentence. At that moment, Ms. Clark decided to enter a 28-day rehabilitation program. She successfully completed the program and opted to continue her rehabilitation at a six-month halfway house program.

As her time at the halfway house came to a close, she recognized that she needed a place to live that would allow her to stay clean and rebuild her life. Her counselors told her about a new facility in Baton Rouge, Louisiana, that combined independent living for formerly homeless residents, with quality of life support services and hands-on assistance in removing barriers to the residents' long-term success. Ms. Clark submitted her application, and was accepted at One Stop Homeless Services Center.

"There's no stressing about bills and how we're going to survive while we're trying to rebuild our lives. I've been able to work and save money, and I'm proud of myself," said Ms. Clark. "The staff at One Stop treats us with respect. They don't judge anybody. They just see us as people."

One Stop opened on October 31, 2011. The facility, located at 153 North 17th Street, is the result of collaboration between several Baton Rouge social service agencies. It brings 36 single sleeping rooms, as well as a host of services designed to assist the homeless, such as outreach case management to chronically homeless

individuals; primary medical, pharmacy, and dental services targeted to homeless residents; life skills and financial management training; basic employment assistance; and job counseling and training.

The center also houses a "day center" for men, women, and children in the community. The center also provides access to showers, laundry facilities, child care, prepared meals, food staples, toiletries, clothing for job interviews, telephones, computers and the Internet, and mail receipt capability, including a "home address" for job applications.

Gulf Coast Housing Partnership (GCHP), the developer of the \$8.5 million project, partnered with Capitol Area Alliance for the Homeless (CAAH) and the Society of St. Vincent de Paul in Baton Rouge to develop One Stop.

"From GCHP's perspective, this has been the perfect relationship," said GCHP President Kathy Laborde. "This was the vision of CAAH, and our goal is to help service providers make their dreams become a reality." The facility is at about 80 percent capacity.

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*"The AHP funds were both critical and instrumental in financing the construction of the project, and those funds resulted in us being able to build the One Stop Homeless Services Center for the city of Baton Rouge."*

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"We've received very positive feedback both from the clients we're serving, as well as the community at large," said Randy Nichols of CAAH.

At One Stop, 35 local service providers have teamed up to give the facility's clients everything they need under one roof. And the offerings continue to grow, according to Mr. Nichols. In June 2012, the facility's clinic hours will expand. Staff from a yoga studio instruct weekly classes and local artists offer art lessons two days a week.



One Stop celebrated its opening in October 2011.

One Stop is supported by Baton Rouge's "10-Year Plan to End Homelessness," a strategy adopted by the city of Baton Rouge and the parish of East Baton Rouge. Funding for the \$8.5 million initiative was provided by the Louisiana Housing Finance Agency, the Louisiana State Office of Community Development, the East Baton Rouge Redevelopment Authority, FHLB Dallas, Community Housing Capital, and Whitney Bank.

FHLB Dallas and member institution, Whitney Bank, awarded the project a \$250,000 Affordable Housing Program (AHP) grant in 2010 to assist with construction.

"The AHP funds were both critical and instrumental in financing the construction of the project, and those funds resulted in us being able to build the One Stop Homeless Services Center for the city of Baton Rouge," said Cornelius Payne, GCHP project manager for One Stop. "This project is probably going to be a model for many other cities in Louisiana."

Ms. Laborde was grateful for the AHP grant the project received. "We cannot undertake ventures unless we have sources of financing that equal the development uses," she said. "Every funding source, regardless of size, is important. AHP grants are extremely important because the population we serve does not support hard debt. So to have entities like the Federal Home Loan Bank of Dallas that recognize the need for such grant programs is critical."

FHLB Dallas awarded approximately \$11 million through its member institutions in 2011 to help create, renovate, or purchase 1,653 housing units, including \$2.5 million in AHP grants awarded through Whitney Bank to assist with 350 affordable housing units in Louisiana.

"Whitney Bank has been committed to improving the communities we serve for over a century," said Troy Hebert, Whitney Bank's Baton Rouge market president. "By working resourcefully with our partners, initiatives like One Stop can offer a valuable all-encompassing program that also supports the region's long-term plans." •

One Stop was featured in the 2010 Advisory Council Annual Report as a project under construction. Other Louisiana AHP projects currently under construction are featured here:



#### **McCaleb Supportive Housing – New Orleans, Louisiana**

McCaleb Supportive Housing is a multifamily, rental housing development planned for New Orleans's Central City neighborhood. The affordable housing development will contain 43 one-bedroom, one-bath apartments to serve very low-income and homeless residents, as well as provide supportive services such as case management, referrals for health care and mental health services, and life skills training. It was awarded a \$301,000 AHP grant through Whitney Bank.



#### **Sonshine Community of Hope – Monroe, Louisiana**

The Rays of Sonshine, a Monroe-based nonprofit organization that provides residential and intensive outpatient services for women and women with children seeking recovery from substance abuse, began construction on the final site of the Sonshine Community of Hope. The organization received a \$120,000 AHP grant from Community Trust Bank and FHLB Dallas in 2010 to help fund the construction of the Sonshine Community of Hope Phase I, which comprises 12 single-family homes for chronically homeless and very low-income individuals and families.



#### **The Groves at Mile Branch Creek – Covington, Louisiana**

Habitat for Humanity St. Tammany West (Habitat STW) will use \$100,000 of a \$120,000 AHP grant from FHLB Dallas and Whitney Bank to assist 10 very low- to low-income families in The Groves at Mile Branch Creek with down payment and closing costs. The Groves is a mixed-income housing development planned for Covington, Louisiana. Habitat STW is developing The Groves in conjunction with Volunteers of America (VOA)'s subsidiary, Renaissance Neighborhood Development Corporation, as part of VOA's effort to replace the more than 1,000 units of housing that were lost in Hurricane Katrina.

# Homebuyer Partnership

## The First Expands its Product Offering by Utilizing the Bank's Grant Programs

**Member:** The First, A National Banking Association

**Location:** Hattiesburg, Mississippi

**Program:** Homebuyer Equity Leverage Program (HELP)

The First, A National Banking Association (The First), based in Hattiesburg, Mississippi, began utilizing FHLB Dallas's community investment grant programs in 2010. Since its first two grants awarded in 2010 – a Partnership Grant Program (PGP) grant to R3SM, Inc. in Hattiesburg, Mississippi, and an Affordable Housing Program (AHP) grant awarded to Savannah Pines, LLC – The First has been dedicated to using FHLB Dallas grant funds for the betterment of the communities it serves.

A \$7,000 HELP grant helped first-time homebuyer Chrissy Black break the rent cycle and purchase a three-bedroom, two-bathroom home.



Following the initial \$500,000 AHP grant awarded to Savannah Pines LLC, a single-family housing community in Ocean Springs, Mississippi, The First has expanded its interest to other FHLB Dallas programs. In 2011, The First awarded a \$250,000 AHP grant to assist in the construction of Camille Court, a multifamily apartment community for low-income residents in Waveland, Mississippi. That same year, The First also partnered with four other FHLB Dallas member institutions to award a total of \$20,000 in Partnership Grant Program (PGP) funds to The Carpenter's Helper, which assisted the nonprofit organization with operational expenses to further serve the rehabilitation needs of very low-income Hattiesburg homeowners.

Also in 2011, The First began using FHLB Dallas's Homebuyer Equity Leverage Partnership (HELP) program to assist first-time homebuyers. Through HELP, The First can apply for grant funding on behalf of income-qualified, first-time homebuyers to assist with down payment and closing costs on newly constructed or existing homes. The First awarded HELP grants to three Mississippi families in 2011 – including Chrissy Black and Barbara Walker in Hattiesburg. For these deserving families, the HELP grant was exactly the boost they needed to break the cycle of renting and become homeowners.

Chrissy Black is a 25-year old recent graduate of the University of Southern Mississippi. She was renting a room from a close friend who had purchased a house after graduation, which made her think about the purchasing a home for herself.

“Rather than helping my friend pay her mortgage, I thought about the possibility of putting my money toward my own mortgage,” said Ms. Black. “I got the idea when several of my friends began looking for and purchasing homes. I had one friend even build a home, and that made me realize that maybe homeownership wasn't as far out of reach as I thought. I did some research, looked at my options, and approached The First for financing. From there, they really held my hand and walked me through the process.”

Ms. Black is originally from Hattiesburg, but attended high school in Chicago, Illinois. She has family in the Hattiesburg area and knew she wanted to make Hattiesburg her permanent home.

The First helped Ms. Black qualify for a \$7,000 HELP grant, which put her in a quaint three-bedroom, two-bathroom home. She moved into her new home in August 2011, which has a backyard for her dog and extra space for her. Ms. Black said the grant funds covered all of her down payment and closing costs, and made her monthly mortgage more affordable.

“I am so grateful for The First. I couldn't have done this without their help and guidance,” said Ms. Black. “They truly care about their customers, and through this experience, they have earned my business for life.”

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*“I am so grateful for The First. I couldn't have done this without their help and guidance,” said Ms. Black.*

*“They truly care about their customers, and through this experience, they have earned my business for life.”*

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Across town, Barbara Walker had been working with Hattiesburg Area Habitat for Humanity (Hattiesburg Habitat) to finally achieve her dream of homeownership. Ms. Walker is a single working mother, with guardianship of her two nieces, ages 14 and 6, and her 10-year-old nephew, who has special needs. The family of four was living in a two-bedroom apartment, where Ms. Walker said she slept on a mattress on the floor.

“Ms. Walker is such a dear woman,” said Lee Ann Venable, resource development manager at Hattiesburg Habitat. “She did everything she could to get into a home in order to provide her family a better life. Hattiesburg Habitat has worked with FHLB Dallas in the past through the AHP, but this was our first time to utilize HELP as a means to further assist our homebuyers. The First is a wonderful partner, and we look forward

to using FHLB Dallas grant programs to put more families, like Ms. Walker, into safe, affordable, and quality homes.”

Ms. Walker moved into her newly constructed four-bedroom, two-bathroom home in August 2011. Hattiesburg Habitat requires its homebuyers to complete 450 “sweat equity” hours, which are achieved by performing work labor on other Habitat homes, as well as completion of homebuyer education and first-time homebuyer counseling courses. Habitat is a nonprofit organization, and sells its homes at cost with an interest-free mortgage. In addition, The First secured a \$5,000 HELP grant through FHLB Dallas to cover Ms. Walker’s down payment and closing costs.

“I appreciate each and every person who has helped me get here,” said Ms. Walker. “I never dreamed that I would own a house, but I love it. I absolutely love it!”

To say that Ms. Walker and her family have flourished through this experience would be an understatement. They now have plenty of space, a safe neighborhood, and Ms. Walker’s nephew, Joshua, has excelled in his new environment. Ms. Walker believes that the stability of having a place to come home to, day after day, has provided additional security for Joshua. He now has space to call his own.

The First’s participation in the Bank’s programs has enabled it to expand its reach and touch more people within the communities it serves. At a time when the housing market is sluggish, the HELP program enables members to provide first-time homebuyers an extra hand-up in achieving quality and affordable housing for their families, as well as the opportunity to earn equity and build upon their investment.

The First plans to continue to utilize FHLB Dallas grant programs to serve more families in the community.

“We are a community lender,” said Jerome Brown, vice president and director of community development at The First. “That’s what we do, and will continue to do. We strive to meet the ever-changing needs of our communities.” ●



Hattiesburg resident Barbara Walker waited years to obtain homeownership. In August 2011, with the assistance of Hattiesburg Habitat, The First, and a \$5,000 HELP grant from FHLB Dallas, Ms. Walker and her family moved into their new four-bedroom, two-bathroom home.

# Economic Development

## EDP Helps Hometown Girl Fulfill Dream of Opening a Salon

**Member:** Bank of Commerce

**Location:** Greenwood, Mississippi

**Program:** Economic Development Program/EDPPlus

Amber Blaylock has wanted to be a hairstylist since high school. But after graduating, she took the traditional path of going to college and earning an associate's degree in education before deciding to pursue her true passion of cosmetology.

After completing her cosmetology training, she went to work for Legends Salon and Day Spa in Greenwood, Mississippi. She let then-owner of the salon, Amanda Jefcohe, know from the beginning that she wanted to own her own salon some day.

"Pretty soon after she started working here, I knew we would make plans to move in that direction," said Ms. Jefcohe, who has been in the cosmetology business for 16 years and owned Legends for 10 years.

That day came in August 2011 when Ms. Blaylock closed on the deal to buy Legends.

"It feels great to own my own salon," Ms. Blaylock said. "It's just very rewarding."

Bank of Commerce, a member of FHLB Dallas, provided Ms. Blaylock a loan, funded through an FHLB Dallas Economic Development Program (EDP) advance.

In addition, Ms. Blaylock also qualified for and received a \$25,000 EDPPlus grant from FHLB Dallas.

Ms. Blaylock learned of the program through Ms. Jefcohe, who had used the program to help with expansion and remodeling after moving Legends to its current address at 300 West Claiborne Avenue in Greenwood. "I had used the EDP before with Community Bank in Indianola when we expanded," Ms. Jefcohe said. "We were able to add four stylist stations and a spa. It was so easy, and it was a really good benefit, so I told Amber she should look into it."



Amber Blaylock has redone the flooring in the salon, and made other upgrades to make the shop her own.

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*"We have not had one single EDP customer who has not been successful."*

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EDP provides favorably priced advances to FHLB Dallas member institutions, such as Bank of Commerce, to support economic development and community revitalization projects that qualify by location, income, or targeted services. If a member institution is approved for an EDP advance, the member's customer may then be eligible for an accompanying EDPPlus grant. EDPPlus grants are noncompetitive and available on a first-come, first-served basis to promote and enhance small business development and job creation in underserved areas or to underserved populations. FHLB Dallas awarded \$985,316 in EDPPlus grant funds in 2011.

"We've used EDP and the EDPPlus grant several times," said Terry Green, executive vice president of Bank of Commerce in Greenwood. "The programs give Bank of Commerce the opportunity to help small business owners, especially minority- and women-owned businesses get the financing they need and help them get their businesses off the ground, and possibly as a means of getting into business. We share the responsibility with the Federal Home Loan Bank of Dallas and the customer, and we have not had one single EDP customer who has not been successful."

Three EDPPlus grants have been awarded to Bank of Commerce customers, including a couple starting a restaurant and hair salon, and a janitorial service.

"It's a good program, and easy to use," Mr. Green said. "We tend to use it when there is somebody special who we think could really benefit from the grant. The



The original founder of the salon, LeGatha Abbott (left) and the prior owner, Amanda Jefcohe (center), still work with Ms. Blaylock at the salon.



financing is one thing; we can help them with that, but the grant really puts them over the top. I know it has been helpful to Amber. We felt good about the loan, and the \$25,000 grant has really helped her with her down payment.”

Legends has been in business for 16 years, during which it has grown from a beauty salon to a full-service salon and day spa offering a wide range of beauty services including hair, nail, and skin care; massages; body scrubs; body wraps; and spray tanning.

Ms. Blaylock has made a few changes to the salon since acquiring the business. She recently repainted the shop and refinished the floors, hired office managers, and incorporated software to manage scheduling, inventory, and payroll.

“My first passion is still doing hair, and I was taking a lot of time out to handle those things,” said Ms. Blaylock.

The salon has 20 employees including eight stylists, as well as massage therapists, shampoo technicians, and receptionists. In the next year, Ms. Blaylock hopes to remodel the waiting area and expand the spa area to make space for a new manicure/pedicure room.

LeGatha Abbott, the original founder of Legends, says she’s seen a lot of good changes to the salon since she opened it 16 years ago. Ms. Abbott still works at the salon as a stylist.

“I had a lot of old movie star posters and that’s where I got the name for the shop,” she said. “The shop had black and white tile floor with white walls and all the posters were of Clark Gable, Greta Garbo, Jane Russell, whatever

I had at the time. I didn’t have the spa when I opened, and we were in a very small location, but it was very organized and had a really good flow to it.”

Since then the shop has taken on a more modern feel. The color scheme has changed, and the shop has moved to a new location – a remodeled home with hardwood floors.

“We wouldn’t have been able to make a lot of these changes without the help of the EDP<sup>Plus</sup> grant and the loan,” said Ms. Blaylock. “I was so excited to get the grant because we were banking on that to have working capital.” ●



Legends Salon continues to thrive under Amber Blaylock’s ownership.

## New Flooring Store Opens in New Mexico with Assistance from an EDPPlus Grant

**Member:** Community 1st Bank Las Vegas

**Location:** Las Vegas, New Mexico

**Program:** Economic Development Program/EDPPlus

Ron Padilla has more than 22 years of experience installing carpet and flooring. After working at several flooring companies and doing contract work for both residential and commercial clients, Mr. Padilla decided it was time to branch out on his own. He opened a storefront for Ron's Flooring in Las Vegas, New Mexico, in January 2012. After a few months in business, Mr. Padilla said he is very pleased with the progress so far.

"I've been doing this for a long time," said Mr. Padilla. "Not only do I have a good understanding of the industry, but through my contract work, I understand what it takes to be a business owner. Some days can be hard, and the hours can be long, but I believe it is worth it in the end."

Mr. Padilla said Ron's Flooring does it all when it comes to floors – including carpet, wood, laminate, vinyl, etc. Mr. Padilla was approved for a loan to expand his business to include a storefront to sell flooring products. Community 1st Bank Las Vegas funded Mr. Padilla's loan with a favorably priced advance provided through FHLB Dallas's Economic Development Program (EDP). In addition to the EDP advance, Mr. Padilla was able

to qualify for an accompanying \$3,000 grant through the Economic Development Program Plus (EDPPlus).

EDP provides favorably priced advances to FHLB Dallas member institutions, such as Community 1st Bank Las Vegas, to support economic development and community revitalization projects that qualify by location, income, or targeted services.

If a member institution is approved for an EDP advance, the member's customer may be eligible for an accompanying EDPPlus grant. EDPPlus grants are noncompetitive and available on a first-come, first-served basis to promote and enhance small business development and job creation in underserved areas or to underserved populations. FHLB Dallas made \$1 million available in EDPPlus grants in 2011.

Community 1st Bank Las Vegas is an active participant in FHLB Dallas's programs, and has awarded 10 EDPPlus grants to small business owners since 2002.

"Community 1st Bank Las Vegas is proud to once again assist a deserving local small business owner through the FHLB Dallas EDP and EDPPlus programs," said Ernesto J. Salazar, executive vice president at Community 1st Bank Las Vegas. "I especially thank our lenders for walking Mr. Padilla through the process, and our local small

business development center for their expertise in completing a business plan for Ron's Flooring. It was truly a collaborative effort, and as a community banker, we strive to provide every opportunity for our customers."

Mr. Padilla said the grant helped him to expand his product offering and purchase supplies and equipment.

"Las Vegas is very limited on readily available supplies for contractors or anyone wanting to install flooring," said Mr. Padilla. "You often have to travel to Albuquerque or order the materials and tools you need for installation. This grant enabled me to purchase a variety of tools and materials that I can offer to local customers. Rather than traveling or waiting a couple of days on an order, my customers can walk in and purchase what they need on the spot."

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*EDP provides favorably priced advances to FHLB Dallas member institutions, such as Community 1st Bank Las Vegas, to support economic development and community revitalization projects that qualify by location, income, or targeted services.*

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Ron Padilla was able to open a storefront for his flooring business thanks to FHLB Dallas's EDP and EDPPlus programs.

Mr. Padilla also purchased additional product displays, office supplies, installation tools, and equipment, such as a carpet stretcher, with the EDPPlus funds. In addition to keeping his current customers satisfied, he hopes his new storefront will attract bigger jobs and contracts.

"Going into business for yourself means more expenses and more work, but the goal is to bring in more business, too," said Mr. Padilla. "We had a good first couple of months, and as the weather gets warmer, we hope to attract more business. This grant really helped me get a head start in getting everything ready for the spring, which is typically our busiest time of year. I am very appreciative of the support I have received through Community 1st Bank Las Vegas, and I'm looking forward to this next chapter of my business." ●

## New Affordable Housing Community Opens in Arkansas



A CIP advance through First Security Bank helped fund the third phase of Woodland Station.

**Member:** First Security Bank

**Location:** Little Rock, Arkansas

**Program:** Community Investment Program (CIP)

Affordable, quality housing has been a concern for residents in Little Rock, Arkansas, and surrounding areas for many years. High demand and limited funding have created a shortage for local families needing a safe and affordable place to call home.

Woodland Station Apartments is one of the newer affordable housing communities in the northern Little Rock area, and consists of three phases of apartment homes. The third phase was constructed in 2010 by Leisure Homes Corporation, with financing approved in early 2011 through First Security Bank. First Security Bank funded the project using a CIP advance provided by FHLB Dallas.

CIP provides favorably priced advances to assist FHLB Dallas members, such as First Security Bank, in funding affordable housing projects in the communities they serve. CIP funds are available throughout the year to support lending for housing-related projects targeted towards households earning up to 115 percent of the area median income.

“CIP has allowed us to step up and provide competitive financing for projects like Woodland Station Apartments,” said Kathy Parker, vice president at First Security Bank. “Affordable housing is a concern for Arkansas residents, and Woodland Station is a beautiful campus that will help address that need.”

Woodland Station is located in Cabot, Arkansas, just 20 minutes north of Little Rock, and is managed by Professional Property Management, Inc. (PPM). It consists of 72 units – 12 one-bedroom, 28 two-bedroom, and 32 three-bedroom units. Woodland Station was designed as a family-oriented community, with plenty of community space including an all-purpose building, fitness center, swimming pool, and outdoor recreation area and gazebo. Since its completion, Woodland Station has been very well received by the community, with consistently full or near-full occupancy.

“This project was made possible through funding by First Security Bank, FHLB Dallas, and the Arkansas

Development Finance Authority,” said Nona Robinson, general counsel at PPM. “It provides residents with a comfortable, attractive home, and a deep sense of community.”

Energy efficiency was a top priority when constructing Woodland Station. Extra steps were taken to ensure the complex would have a minimal effect on the environment, as well as save its residents on utility expenses. Each unit offers ENERGY STAR appliances, including a dishwasher, microwave, washer, and dryer. All windows are energy sealed, extra insulation is installed in the walls and attic, the water heaters are electric with energy-saving timers, and the air conditioners are energy efficient with programmable digital thermostats.

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*CIP funds are available throughout the year to support lending for housing-related projects targeted towards households earning up to 115 percent of the area median income.*

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Woodland Station is the fourth affordable multifamily housing community financed with a CIP advance issued through First Security Bank. Its residents enjoy a quiet setting, as well as the easy highway access to Little Rock and surrounding areas. Woodland Station’s success will pave the way for future development of affordable multifamily housing communities in the area. •



Woodland Station has had full or near-full occupancy since opening.

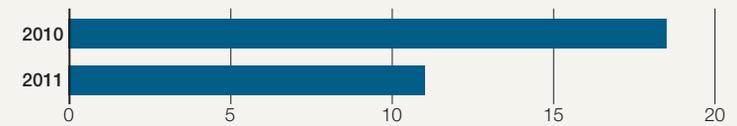
## 2011 Statistical Overview

### Affordable Housing Program (AHP) Results

	2011	1990–2011
<b>All Approved Projects</b>		
Total Units	1,653	36,661
Very Low-Income Units	1,330	27,075
AHP Grants	\$11,010,537	\$196,034,741
Development Costs	\$138,844,390	\$2,339,723,588
<b>Rental Projects</b>		
Total Units	1,097	21,017
Very Low-Income Units	864	15,516
AHP Grants	\$6,713,000	\$106,285,836
Development Costs	\$104,511,713	\$1,276,555,732
<b>Owner-Occupied Projects</b>		
Total Units	556	15,594
Very Low-Income Units	466	11,559
AHP Grants	\$4,297,537	\$89,748,905
Development Costs	\$34,332,677	\$1,063,167,856

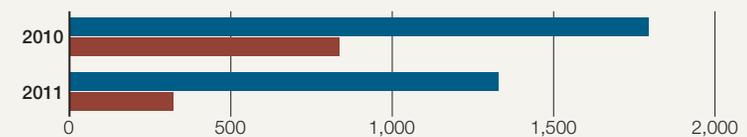
### AHP Funds Awarded

(dollars in millions)



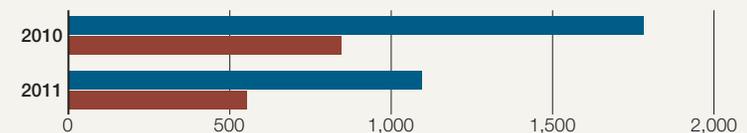
### AHP Grants – Units

■ Very Low Income ■ Other



### AHP Units – Type

■ Rental ■ Owner-Occupied



### Homebuyer Equity Leverage Partnership (HELP) Results

	2011	2002–2011
Total Units	307	2,323
HELP Grants	\$1,689,768	\$12,306,177

### Community Investment Program (CIP) / Economic Development Program (EDP) Summary

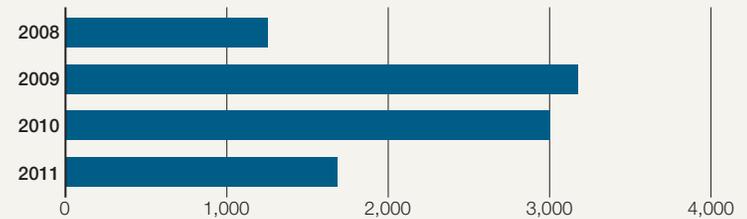
	Projects	(dollars in millions)
Member Advances	141	\$124.7
Letters of Credit	94	\$754.3
<b>Total</b>	<b>235</b>	<b>\$879.0</b>

### Special Needs Assistance Program (SNAP) Results

	2011	2009–2011
Total Units	391	971
SNAP Grants	\$2,098,879	\$5,031,562

#### HELP Grants Awarded

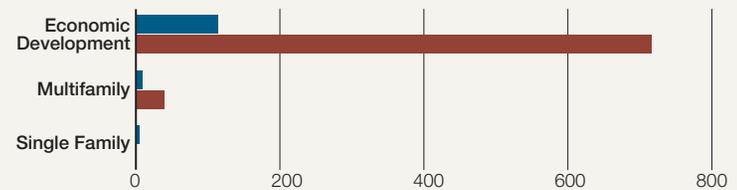
(dollars in thousands)



#### CIP/EDP Advances and Letters of Credit

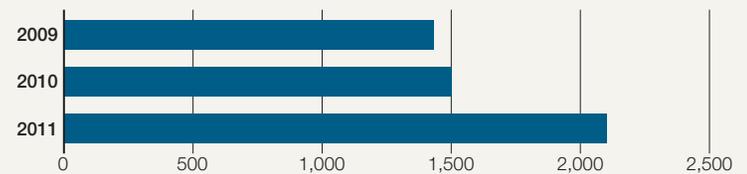
■ Advances ■ Letters of Credit

(dollars in millions)



#### SNAP Grants Awarded

(dollars in thousands)



## 2011 AHP Awards

### Arkansas

#### Benton

*Member:* Bank of the Ozarks  
*Sponsor:* Habitat for Humanity of Saline County, Arkansas  
*Grant:* \$49,365.92 for 5 Ownership units

#### Fort Smith

*Member:* The FNB of Fort Smith  
*Sponsor:* Next Step Day Room, Inc.  
*Grant:* \$120,000.00 for 16 Rental units

*Member:* BenefitBank  
*Sponsor:* Crawford-Sebastian  
*Grant:* \$406,000.00 for 58 Ownership units

#### Hamburg

*Member:* Delta Trust & Bank  
*Sponsor:* Ashley Directions, Inc.  
*Grant:* \$210,000.00 for 30 Rental units

#### Harrison

*Member:* Bank of the Ozarks  
*Sponsor:* Northwest Regional Housing Authority  
*Grant:* \$105,000.00 for 15 Ownership units

#### Hot Springs

*Member:* Bank of the Ozarks  
*Sponsor:* Garland County Habitat for Humanity  
*Grant:* \$117,042.65 for 10 Ownership units

#### Searcy

*Member:* Simmons First Bank of Searcy  
*Sponsor:* Habitat for Humanity of White County, Arkansas  
*Grant:* \$11,787.26 for 1 Ownership unit

### Louisiana

#### Baton Rouge

*Member:* Whitney Bank  
*Sponsor:* Habitat for Humanity of Greater Baton Rouge  
*Grant:* \$150,000.00 for 15 Ownership units

#### Covington

*Member:* Whitney Bank  
*Sponsor:* Habitat for Humanity St. Tammany West  
*Grant:* \$120,000.00 for 12 Ownership units

#### Eunice

*Member:* IBERIABANK  
*Sponsor:* Unity Village Homes, Inc.  
*Grant:* \$63,000.00 for 9 Rental units

#### Ferriday

*Member:* Delta Bank  
*Sponsor:* Macon Ridge CDC  
*Grant:* \$120,000.00 for 12 Ownership units

#### Lafayette

*Member:* Community 1st Bank  
*Sponsor:* Diocese of Lafayette  
*Grant:* \$140,000.00 for 20 Rental units

*Member:* BancorpSouth Bank  
*Sponsor:* Affiliated Blind of Louisiana Training C  
*Grant:* \$224,000.00 for 32 Rental units

#### Lake Charles

*Member:* First Federal Bank of Louisiana  
*Sponsor:* Habitat for Humanity Calcasieu Area  
*Grant:* \$70,000.00 for 7 Ownership units

#### Mandeville

*Member:* Whitney Bank  
*Sponsor:* Neighborhood Housing Services of  
 New Orleans Inc.  
*Grant:* \$180,000.00 for 20 Ownership units

#### New Orleans

*Member:* Whitney Bank  
*Sponsor:* Gulf Coast Housing Partnership  
*Grant:* \$301,000.00 for 43 Rental units

*Member:* State-Investors Bank  
*Sponsor:* New Orleans Area Habitat for Humanity  
*Grant:* \$224,000.00 for 32 Ownership units

*Member:* Wells Fargo Bank South Central  
*Sponsor:* Summit Housing Partners Management, LLC  
*Grant:* \$500,000.00 for 98 Rental units

#### Slidell

*Member:* Whitney Bank  
*Sponsor:* East St. Tammany Habitat for Humanity  
*Grant:* \$50,000.00 for 5 Ownership units

#### Thibodeaux

*Member:* Whitney Bank  
*Sponsor:* Bayou Area Habitat for Humanity  
*Grant:* \$45,000.00 for 5 Ownership units

#### Ville Platte

*Member:* Evangeline Bank & Trust  
*Sponsor:* Evangeline Pointe Apartments, Inc.  
*Grant:* \$84,000.00 for 12 Rental units

#### Winnsboro

*Member:* Community Trust Bank  
*Sponsor:* Fresh Start Outreach Ministries  
*Grant:* \$195,000.00 for 28 Rental units

### Mississippi

#### Camden

*Member:* BancorpSouth Bank  
*Sponsor:* Sacred Heart Catholic Mission  
*Grant:* \$200,000.00 for 25 Ownership units

#### Greenville

*Member:* Planters Bank & Trust Co.  
*Sponsor:* Greater Greenville Habitat for Humanity  
*Grant:* \$5,283.81 for 1 Ownership unit

#### Jackson

*Member:* BankPlus  
*Sponsor:* Habitat for Humanity/Metro Jackson  
*Grant:* \$400,000.00 for 40 Ownership units

*Member:* BankPlus  
*Sponsor:* GlobeSRV  
*Grant:* \$196,000.00 for 28 Ownership units

#### Lexington

*Member:* BankPlus  
*Sponsor:* Community Students Learning Center  
*Grant:* \$308,000.00 for 44 Ownership units

#### Olive Branch

*Member:* Wells Fargo Bank South Central  
*Sponsor:* RHA Affordable Housing II, Inc.  
*Grant:* \$500,000.00 for 64 Rental units

**Philadelphia**

*Member:* Trustmark National Bank  
*Sponsor:* Choctaw Housing Authority  
*Grant:* \$217,000.00 for 31 Ownership units

**Pontotoc**

*Member:* Renasant Bank  
*Sponsor:* Pontotoc County Habitat for Humanity  
*Grant:* \$21,000.00 for 3 Ownership units

**Rolling Fork**

*Member:* Trustmark National Bank  
*Sponsor:* The FIED Association  
*Grant:* \$500,000.00 for 72 Ownership units

**Starkville**

*Member:* BancorpSouth Bank  
*Sponsor:* Starkville Area Habitat for Humanity  
*Grant:* \$25,000.00 for 5 Ownership units

**Tupelo**

*Member:* Renasant Bank  
*Sponsor:* NE Mississippi Habitat for Humanity  
*Grant:* \$50,000.00 for 5 Ownership units

**Vicksburg**

*Member:* Trustmark National Bank  
*Sponsor:* Mountain of Faith Ministries  
*Grant:* \$390,000.00 for 30 Rental units

**Waveland**

*Member:* The First, A National Banking Association  
*Sponsor:* Flagship United Community Development Corporation  
*Grant:* \$250,000.00 for 30 Rental units

**New Mexico****Carlsbad**

*Member:* Carlsbad National Bank  
*Sponsor:* YES Housing, Inc.  
*Grant:* \$168,000.00 for 24 Rental units

**San Ildefonso Pueblo**

*Member:* Community Bank  
*Sponsor:* Northern Pueblo Housing Authority  
*Grant:* \$120,000.00 for 12 Rental units

**Texas****Austin**

*Member:* Frost National Bank  
*Sponsor:* Mary Lee Foundation  
*Grant:* \$360,000.00 for 40 Rental units

**Beaumont**

*Member:* Mobiloil Federal Credit Union  
*Sponsor:* Habitat for Humanity of Jefferson County  
*Grant:* \$60,000.00 for 6 Ownership units

**Brownsville**

*Member:* Lone Star National Bank  
*Sponsor:* Community Development Corporation of Brownsville  
*Grant:* \$140,000.00 for 20 Ownership units

**Bryan**

*Member:* The Bank & Trust of Bryan/College Station  
*Sponsor:* Bryan College Station Habitat for Humanity  
*Grant:* \$112,800.00 for 20 Ownership units

**Dallas**

*Member:* Amegy Bank, N.A.  
*Sponsor:* Lakewest ALF Realty, LLC  
*Grant:* \$500,000.00 for 130 Rental units

**Houston**

*Member:* Amegy Bank, N.A.  
*Sponsor:* Travis Street Plaza, LP  
*Grant:* \$500,000.00 for 192 Rental units

*Member:* Amegy Bank, N.A.  
*Sponsor:* Temenos Community Development Corporation  
*Grant:* \$500,000.00 for 80 Rental units

*Member:* Amegy Bank, N.A.  
*Sponsor:* Catholic Charities of the Archdiocese of Galveston-Houston  
*Grant:* \$500,000.00 for 84 Rental units

**Kingswood**

*Member:* Amegy Bank, N.A.  
*Sponsor:* Village Learning Center, Inc.  
*Grant:* \$98,000.00 for 15 Rental units

**San Antonio**

*Member:* Broadway National Bank  
*Sponsor:* Methodist Mission Home  
*Grant:* \$140,000.00 for 14 Rental units

**San Juan**

*Member:* International Bank of Commerce  
*Sponsor:* Proyecto Azteca  
*Grant:* \$140,000.00 for 20 Ownership units

**Texarkana**

*Member:* BancorpSouth Bank  
*Sponsor:* Habitat for Humanity of Texarkana  
*Grant:* \$10,000.00 for 1 Ownership unit

**Victoria**

*Member:* NewFirst National Bank  
*Sponsor:* Habitat for Humanity of Victoria  
*Grant:* \$19,257.34 for 3 Ownership units

*Member:* First Victoria National Bank  
*Sponsor:* City of Victoria  
*Grant:* \$245,000.00 for 35 Ownership units

**Out of District****Colorado****Colorado Springs**

*Member:* American Bank of Commerce  
*Sponsor:* Springs Rescue Mission  
*Grant:* \$500,000.00 for 44 Rental units

**Florida****Tampa**

*Member:* Whitney Bank  
*Sponsor:* Metropolitan Ministries, Inc.  
*Grant:* \$350,000.00 for 50 Rental units

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 Planters Bank and Trust  
 Indianola, Mississippi

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*Affordable Housing Compliance Analyst*

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*Senior Affordable Housing Analyst*

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*Member Services Officer*

**Scott Sparks**

*Senior Member Services Officer*



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