

2025 Targeted Community Lending Plan

I. Introduction

The Federal Home Loan Bank of Des Moines (FHLB Des Moines or Bank) is a member-owned cooperative[1]. Our mission is to be a reliable provider of funding, liquidity, and services for our members so that they can meet the housing, business, and economic development needs of the communities they serve. Our capital is privately provided by our members and our income is generated by the business we do with them.

Each year, the FHLB Des Moines contributes 10 percent of its previous year's net income to the Affordable Housing Program (AHP) and its homeownership set-aside program called the Down Payment Products (DPPs). Moreover, the Bank contributes at least an additional five percent of its previous year's net income to Discretionary Programs.

The purpose of the Targeted Community Lending Plan (TCLP) is to:

- Identify significant affordable housing needs in the Bank's district that will be addressed through its Community Investment and Discretionary Programs
- Describe how the Bank will address the unmet credit needs and market opportunities for targeted community lending[2] in its district

To achieve these objectives, the FHLB Des Moines:

- Reflects market research in its TCLP
- Consults with its Affordable Housing Advisory Council[3] (AHAC or Advisory Council), members, housing associates, and public and private community and economic development organizations
- Establishes quantitative performance goals

Diversity, Equity and Inclusion (DEI)

DEI continues to be an integral part of who the Bank is as a company - how we operate, how we see our future and how we interact with each other, external applicants, our members, suppliers and broker-dealers. As an organization, we are committed to integrating and promoting DEI as a key aspect of our culture and in all relevant business functions, financial transactions and activities. After all, inclusion is about all of us, a community of individuals, each with their own unique talents, skillsets and voices, who make our organization better, stronger, not only for ourselves but for the communities and the members we serve.

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[1] FHLB Des Moines is one of 11 regional Banks that make up the Federal Home Loan Bank (FHLBank) System. Established by Congress in 1932 to support mortgage lending, the FHLBanks are a stable source of funding for more than 6,500 federally insured depository institutions of all sizes and types, including banks, credit unions, insurance companies, thrifts, and Community Development Financial Institutions. Regulated by the Federal Housing Finance Agency, the FHLBanks are cooperatively owned by their members, operate independently with their own board of directors and are registered with the Securities and Exchange Commission.

[2] 12 CFR 1292.1 defines "targeted community lending" as providing financing for economic development projects for targeted beneficiaries. "Economic development" is further defined as (1) "commercial, industrial, manufacturing, social service, and public facility projects and activities and (2) public or private infrastructure projects, such as roads, utilities, and sewers."

[3] The Advisory Council provides advice to the FHLB Des Moines' Board of Directors about the unmet credit needs in the Bank's district. There are 15 Advisory Council members, one representing each of the 13 states in the Bank's district and two at-large positions. All Advisory Council members are actively engaged in providing or promoting affordable housing and community lending.

The Bank is committed to a culture of DEI among its directors, AHAC, employees, grant recipients, and suppliers. Key objectives to ensuring the Bank offers diverse products that meet the affordable housing and community lending needs of its district include: (i) having an AHAC with a level of diversity (ethnicity and/or gender) that is representative of the district and (ii) achieving an equitable distribution of AHP and other funds to meet the diverse needs of the district.

To better understand the extent to which AHP projects are using diverse suppliers, beginning with the 2023 AHP competitive application process, we requested that housing sponsors self-report this information.

- For 2023 and 2024, an average of 60 percent of applications submitted have been self-identified as projects proactively seeking diverse suppliers

Additionally, the Bank's public website provides resources for AHP sponsors to explore ways to engage minority-, women-, and disabled-owned business as diverse suppliers in the development, acquisition, rehabilitation, and operations of affordable housing projects.

District Overview

FHLB Des Moines has the largest geographic district among the 11 Federal Home Loan Banks (FHLBanks). The Bank's district includes the 13 states of Iowa, Minnesota, Missouri, North Dakota, South Dakota, Idaho, Montana, Utah, Wyoming, Washington, Oregon, Alaska, and Hawaii, as well as the U.S. territories of American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

Encompassing approximately 40 percent of the U.S. land mass and 11 percent of the U.S. population[4], the Bank's district is diverse, ranging from dense urban centers such as Honolulu, Minneapolis, and Seattle to expansive rural counties and remote Alaska Native Villages that are not accessible by road. The economies of these communities are also diverse ranging from agricultural and ranching to technology to tourism to energy and much more.

Membership Overview

FHLB Des Moines has approximately 1,250 member financial institutions, which is the largest membership base among the 11 FHLBanks. The type of financial institutions that are eligible for FHLBank membership include commercial banks, savings institutions (also known as thrifts), credit unions, insurance companies, and non-depository Community Development Financial Institutions (CDFIs). Our members use our Core Business Products to support their housing and economic development lending.

[4] Merging Markets, Housing Assistance Council, 2015

Approximately 63 percent of the Bank's members are Community Financial Institutions (CFIs)[5], meaning they have average assets of less than $1.5 billion over the prior three years. These community-based financial institutions have limited access to capital markets, which increases the importance of FHLB Des Moines' mission for providing liquidity to support their engagement in housing and economic and community development finance.

- As of June 30, 2024, 74 percent of the Bank's CFI members had outstanding balances in one or more of the Bank's Core Business Products

Housing Associates

Although not Bank members, approved housing associates such as a state housing finance agencies or public housing authorities that meet certain standards may be eligible to access Bank advances or other products[6]. Of note, housing associates do not have access to the Bank's AHP, DPPs, or to certain Community Investment Advances (CIAs)[7].

FHLB Des Moines has approved 15 housing associates.

- As of June 30, 2024, eight housing associates had outstanding balances in one or more of the Bank's Core Business Products

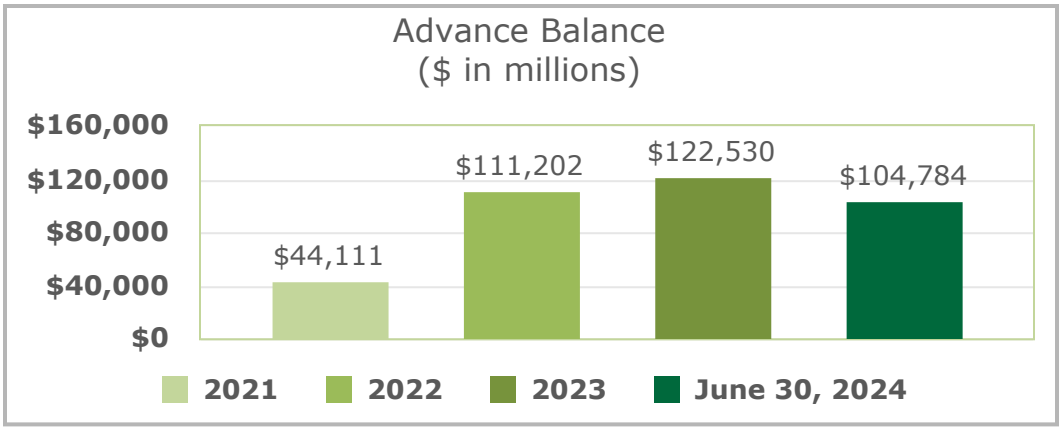
Core Business Products

The Bank's Core Business Products are central to our mission of providing liquidity to support housing and economic and community development finance through all economic cycles. These products help to lower the cost of homeownership, stimulate job creation and business expansion, and improve access to affordable housing for both renters and buyers. The liquidity provided by the Bank is a source of stability in the U.S. financial system. It also helps our members and housing associates meet the lending needs of the diverse communities they serve while maintaining adequate balance sheet management.

[5] 12 CFR 1263: An institution with deposits insured under the Federal Deposit Insurance Act that has total average assets over the prior three years less than the CFI asset cap, which is established by the Federal Housing Finance Agency on an annual basis.
[6] 12 CFR 1264
[7] 12 CFR 1292.5(d)(4)

- Advances

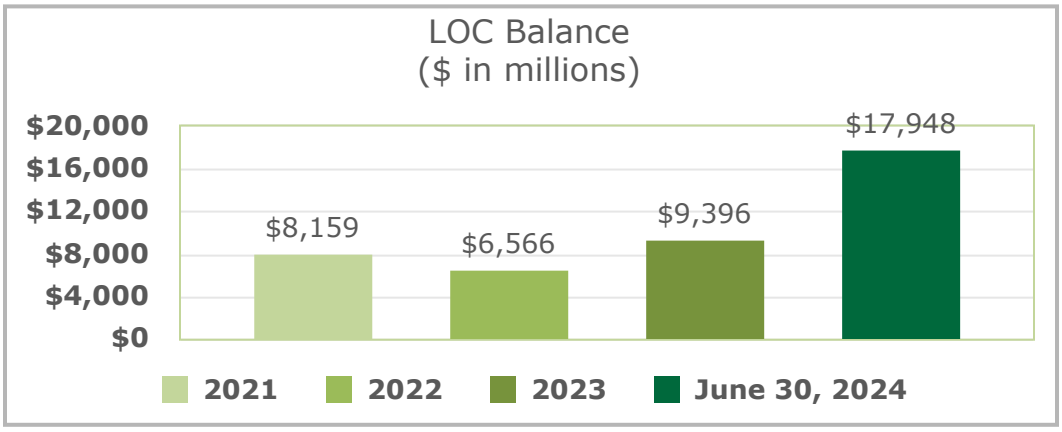
  Advances are loans made by the Bank to its members and housing associates. Advances provide an important and reliable source of liquidity for housing and community investment finance. They are fully secured by mission-oriented collateral such as single-family and multi-family residential whole mortgage loans and residential and commercial mortgage-backed securities (MBS) that meet eligibility requirements[8].



- Confirming and Standby Letters of Credit

  A Letter of Credit (LOC) from FHLB Des Moines is issued to guarantee payment for a member institution. The Bank's Aaa/AA+ credit rating and access to capital markets can be leveraged for the benefit of members and, on a conforming basis, also for the benefit of their customers to lower project costs.

  LOCs are used for a variety of purposes, most commonly as an attractive alternative to pledging securities for public unit deposits. They may also be used on other qualifying transactions such as performance guarantees for a number of purposes, as well as bond issuances and liquidity enhancements for taxable and tax-exempt issuances and taxable community economic development projects.



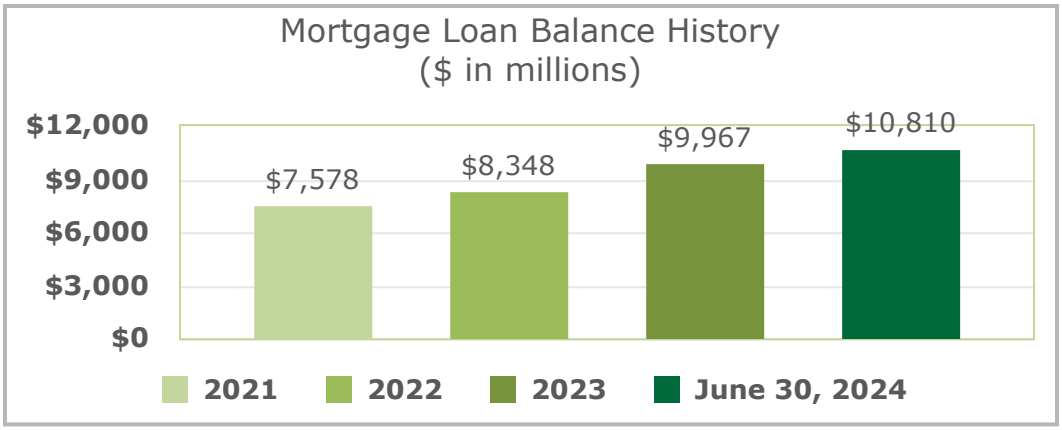
[8] 12 CFR 1266

- Mortgage Partnership Finance (MPF)

  MPF provides a secondary market for conventional or government-insured fixed rate mortgage loans secured by one-to-four family residential properties. The Bank purchases eligible loans from members that have been qualified as Participating Financial Institutions (PFIs). Additionally, the Bank may acquire MPF loans through participations with other FHLBanks.

  In 2021 through 2023, an average of:

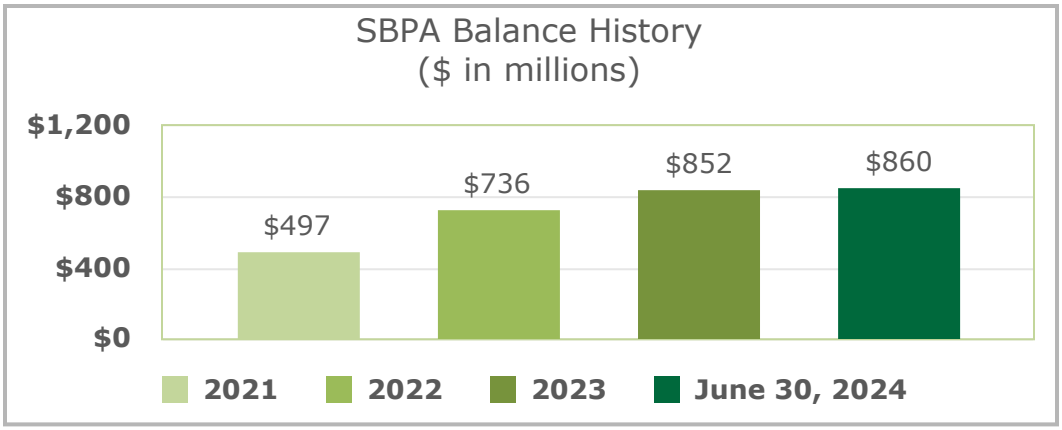
  - 33 percent of MPF purchases supported low- and very low-income households
  - 86 percent of PFIs were CFIs delivering at least one loan to the Bank



- Standby Bond Purchase Agreements (SBPAs)

  SBPAs serve as a contingent liquidity source for the issuance of housing authority bonds that are backed by mortgage loans. These mortgage loans typically serve borrowers at or below 80 percent of area median income (AMI). SBPAs support housing authorities' asset/liability management, funding and liquidity, facilitation of housing finance, and efficient bond issuance execution. Several of these housing authorities are also FHLB Des Moines housing associates.

These agreements are established between the Bank and housing authorities[9], and require the Bank to serve as a standby liquidity provider, if needed, to purchase and hold the housing authority bonds until the designated marketing agent can find a suitable investor or the housing authority repurchases the bonds according to a schedule established by the agreement. The Bank had SBPAs outstanding with seven housing authorities during each of the periods noted below.



Community Investment Products and Discretionary Programs

Annually, FHLB Des Moines contributes 10 percent of its previous year's net income to fund its AHP and DPPs called Home$tart and the Native American Homeownership Initiative (NAHI). The AHP, Home$tart, and NAHI provide grants to members, which are regranted to members' customers and community partners.

CIAs provide members with a discount to advances for certain types of financing of affordable housing and economic and community development.

The AHP, DPPs, and CIAs are subject to detailed regulations promulgated by the Bank's regulator, the Federal Housing Finance Agency (FHFA)[10].

Also on an annual basis, the Bank contributes at least an additional five percent of its previous year's net income to fund discretionary programs. While subject to FHFA oversight, these discretionary programs are not bound by detailed regulations[11], which provides an opportunity for the Bank to deliver creative and innovative products that can be a catalyst for members' community engagement.

- During 2023 and the ten months ended October 31, 2024, discretionary programs were used by 307 members, 166 of which were members not currently utilizing the Bank's AHP, DPPs, or CIAs
- Of these 307 members, 143 were CFIs, of which over 50 percent had assets of $500 million or less

[9] SPBAs are deemed an investment for the Bank; as such, housing authorities are not required to meet the definition of a housing associate or state housing finance agency per 12 CFR 1264
[10] 12 CFR 1291 and 1292
[11] FHFA Advisory Bulletin 2023-06: Framework for Pilot and Voluntary Programs

Refer to Section VI. FHLB Des Moines' Support of Unmet Credit Needs and Market Opportunities for additional information about the Bank's Community Investment Products and Discretionary Programs.

II. Market Research

Overview

The FHLB Des Moines engages with a broad range of stakeholders to gain insight into its district's affordable housing, community development, and economic development needs and opportunities.

The Bank references widely accepted industry sources for quantitative data and trends about affordable housing markets such as, but not limited to, Harvard University's Joint Center for Housing Studies and publications produced by our members' regulators, National Low-Income Housing Coalition, U.S. Department of Housing and Urban Development (HUD), Urban Institute, and others.

Our participation in local and regional housing, economic development, community development, and community lending events as well as ongoing conversations with stakeholders further inform our understanding of the unmet credit needs in our district. These interactions also provide important context for how to best structure community investment products to support our members' ability to meet those needs.

Additionally, Bank staff are actively involved in on-going dialogue through participation in reoccurring committees and service on boards of directors with nonprofit organizations that promote affordable housing or community lending. These engagements serve to deepen the Bank's understanding of a range of community investment needs such as the varying dynamics that impact affordable rental and owner-occupied housing in urban, rural, and Native communities.

In 2021, to inform priorities for the AHP, an independent third-party economist conducted an assessment of published market information pertaining to affordable rental and owner-occupied housing, as well as targeted community lending, for each of the 13 states in the Bank's district. The overarching affordable housing needs identified by these published market assessments corroborated what had been identified by the Bank's Advisory Council and further supported by widely accepted industry sources and the Bank's own market intelligence gained through dialogue with its members, housing associates, and community partners. Annually, these affordable housing priorities are reviewed and refreshed as needed.

Of note, capacity building for organizations in rural areas is a thematic need throughout the Bank's district.

Summary of Priority Affordable Housing Needs for the Bank's 13 States

Alaska

Priority Affordable Housing Needs:

- Affordable housing for households with incomes at or below 30 percent AMI, including permanent supportive housing for people experiencing homelessness
- New affordable housing in rural areas to alleviate overcrowding
- Weatherization and energy efficiency
- Senior housing

Special Circumstances:

Over 75 percent of the Federally recognized tribes and Alaska Native Villages found in the Bank's district are located in Alaska.

The rate of overcrowding in Alaska is twice the national average, with the challenge more acute in rural areas. In some rural areas, more than half of all households are overcrowded. The population of senior citizens is expected to nearly double by 2030. To keep pace, more than 300 assisted and independent living facility beds must be added each year. Due to the state's severe climate, there is a significant need for weatherization and energy efficiency of housing units to moderate energy expenses for cost burdened households.[12]

These dynamics are further corroborated in a 2023 report published by the Association of Alaska Housing Authorities. This report also draws attention to the unique affordable housing challenges of Alaska Natives, and notes that the purchase power of federal funding for Native people has been eroded by inflation and escalating construction costs.[13]

Hawaii

Priority Affordable Housing Needs:

- Affordable rental housing for households at or below 30 percent, 50 percent, and 80 percent AMI
- Affordable for sale housing for households 81 percent to 140 percent AMI
- Affordable housing for Native Hawaiians
- Housing for homeless, including those with and without special needs
- Housing for households displaced by Maui wildfires

[12] Alaska Housing Finance Corporation 2018 Statewide Housing Assessment
[13] Association of Alaska Housing Associates : Overview of Alaska's Housing Shortage, 2023

Special Circumstances:

State policy is not favorable to single-family housing due to limited land mass. Subtracting open water, wetlands, and sloped areas, the percentage of land suitable for development is the lowest in the nation. Additionally, construction costs are above average and the regulatory environment and review process are barriers to production.[14]

Idaho

Priority Affordable Housing Needs:

- Rental housing for households with incomes at or below 30 percent AMI
- Homeownership for households with incomes at or below 50 percent AMI
- Rental housing for households with incomes at or below 80 percent AMI
- Housing for households with incomes greater than 80 percent AMI

Special Circumstances:

The most common housing challenge is cost burden as household incomes have not kept pace with escalating housing costs since 2000. The impact of market-rate or above market-rate property development on surrounding neighborhoods often leads to higher levels of evictions and displacement. Disinvestment or poor maintenance in rental housing is particularly acute for rural areas. The impact of these barriers has been higher for certain ethnic and racial populations as well as elderly residents.[15]

Iowa

Priority Affordable Housing Needs:

- Affordable housing for households with incomes at or below 30 percent AMI
- Affordable owner-occupied housing for households with incomes between 30 percent and 80 percent AMI
- Preservation of the state's aging housing stock

[14] Hawaii Housing Finance & Development Corporation: Hawai'i Housing Planning Study, 2019
[15] Idaho Housing and Finance Association Housing Information

Special Circumstances:

The Iowa Finance Authority's 2023 Iowa Profile highlights the necessity for 24,617 more homes by 2030, comprised of 17,181 owner-occupied units and 7,436 rentals. The state's housing goals by 2030 are threefold to ensure a healthy housing continuum and to ensure all Iowans have the ability to live in the communities where they work.[16]

- Housing affordability for the lowest income segment (0-30 percent AMI)
- Single-family homes for households with incomes greater than 80 percent of AMI
- Home rehabilitation and preservation of the state's aging housing stock

With housing supply as the underlying crisis and the state wanting to ensure a healthy housing continuum, increasing housing supply for those above 30 percent of AMI is important. Given the construction costs involved, homes throughout the state of Iowa generally cater to higher-end buyers and are out of the price range for many households.[17]

Minnesota

Priority Affordable Housing Needs:

- Affordable rental housing for households with incomes at or below 30 percent AMI
- Affordable homeownership for households of color[18]
- Retention of existing affordable housing stock

Special Circumstances:

Within Minnesota's consolidated plan, the state identifies a need for affordable housing for low-income households, largely due to escalating home costs. Leveraging funds from federal programs to provide more housing is recognized as a major challenge. Incentivizing and prioritizing housing development is a statewide housing goal.[19] In 2023, the state legislature approved $1 billion for affordable rental and owner-occupied housing.

Missouri

Priority Affordable Housing Needs:

- Affordable rental housing for households with incomes at or below 40 percent and 60 percent of AMI
- Affordable owner-occupied housing for households with incomes at or below 40 percent and 60 percent of AMI

[16] Iowa Finance Authority Iowa Profile and 2030 Housing Forecast
[17] Housing by the Numbers: Iowa Homeownership and Affordability Outlook, January 2022, Rosen Consulting Group
[18] Minnesota Housing 2020-21 Affordable Housing Plan, Public Comment Draft, August 29, 2019
[19] More Places to Call Home: Investing in Minnesota's Future – Governor's Task Force on Housing, August 2018

Special Circumstances:

According to the 2012 Housing Needs Assessment, new housing construction outpaced household formation until 2010. Since then, however, household formation has outpaced the addition of housing units, particularly for lower-income households. While construction and permitting activity are higher in urban areas, it has not been sufficient to satisfy the magnitude of need.

Montana

Priority Affordable Housing Needs:

- Affordable housing related to escalating cost of housing
- Public funding to support housing development
- Ensuring that the regulatory environment is not an impediment to housing production

Special Circumstances:

In general, Montana communities employ a minimum of land use regulations related to housing development. Generally speaking, the state has traditionally not funded housing assistance, which instead has been supported by federal funds and private donations. While the state's regulatory framework makes housing less expensive to develop, funding to incentivize affordable housing projects has been difficult to obtain. The state is exploring strategies to support funding for affordable housing through state and local jurisdictions.

North Dakota

Priority Affordable Housing Needs:

- Supply of affordable housing across all household age groups and incomes
- Affordable housing for low-income and elderly households
- Homeownership for first-time homebuyers

Special Circumstances:

The state expects that demographic shifts in the aging of baby boomers and the in-migration of younger households will continue to increase demand for rental and/or multi-family housing. According to the North Dakota Housing Finance Agency, the state's most prominent housing affordability challenges are cost burdened renters and homeowners, escalating costs, particularly for renters, and an aging housing stock requiring rehabilitation.

Projections, based on the historic relationship between population, household characteristics, and housing units indicate the need for 9,285 additional housing units by 2025 to meet projected population growth.[20]

[20] 2020-2025 Statewide Housing Needs Assessment – Population and Housing Forecast

Oregon

Priority Affordable Housing Needs:

- Affordable housing, particularly rental housing, for households with incomes at or below 30 percent and 50 percent AMI
- Preservation of existing affordable housing, priority for housing with attached rental subsidy
- Affordable homeownership for households between 50 percent and 120 percent AMI
- Increase rates of homeowners of color
- Increase rural affordable housing development
- Housing that serves communities of color and indigenous populations
- Housing that serves homeless and formerly homeless households

Special Circumstances:

Oregon has the highest per capita rate of unsheltered homelessness in the nation. The governor has issued executive orders aimed at increasing shelter capacity and accelerating housing production. Housing affordability coupled with nation-leading rates of untreated addiction are driving high per capita rates of homelessness. Housing needs are disproportionately greater for special needs populations, including people with disabilities, the elderly and people with substance abuse and behavioral health disorders. The state recently instituted a statewide elimination of exclusionary single-family zoning in an effort to mitigate underproduction of housing.

South Dakota

Priority Affordable Housing Needs:

- Housing affordability for households at or below 30 percent AMI
- Homeownership rehabilitation programs and assistance for homeowners in maintaining their homes
- Rental housing in substandard condition, overcrowding, and cost burdened

Special Circumstances:

Housing cost burden tends to be acute for Native American and Hispanic households. The state is confronting substandard housing conditions, which is being addressed by state and local governments and nonprofit organizations.[21]

[21] South Dakota's 2023-2027 Five Year Housing and Community Development Consolidated Plan

Utah

Priority Affordable Housing Needs:

- Demand for rental and single-family housing is outpacing supply causing an affordability problem for households with incomes at or below 80 percent AMI
- Increasing affordable housing supply, including starter homes for first-time homebuyers
- Rental housing for households with incomes at or below 30 percent AMI
- Housing for households with incomes between 81 and 120 percent AMI

Special Circumstances:

The state's policy priorities are focused on facilitating coordination between public and private organizations and agencies for funding affordable housing for low-income households and homeless populations.

Washington

Priority Affordable Housing Needs:

- Affordable housing for households with incomes at or below 30 percent and 50 percent AMI
- Homeownership for households with incomes at or below 30 percent and 50 percent AMI
- Housing for homeless and special needs households, including veterans, and households carrying significant health care costs

Special Circumstances:

Statewide, the single largest affordable housing need is rental units for households earning up to 30 percent AMI, particularly in the Puget Sound region and southeast and southwestern parts of the state. Washington has been working to incentivize multi-family housing in general and affordable multi-family housing in particular. The state recognizes that its housing stock of mostly single-family homes is not a match for the demands of its changing demographics driven by smaller and nonfamily households. The most severely cost burdened demographic is households under the age of 35. In addition, Washington identified that low-income and non-white households are more likely to face challenges related to housing discrimination.[22]

[22] Washington State Department of Commerce Affordable Housing Needs Study – 2015 and Puget Sound Regional Council Vision 2050 Housing Background Paper

Wyoming

Priority Affordable Housing Needs:

- Affordable housing stock in a range of sizes
- In the ownership market, home prices continue rising and have not responded to higher interest rates, while higher interest rates have severely decreased affordability for those buying with a mortgage
- Housing for people with disabilities and senior assisted living

Special Circumstances:

Housing development patterns have not kept up with industry employment shifts in many counties, where growth in employment in service-providing industries requires more diversity in housing types and price points to accommodate the workforce.[23] However, the availability of sufficient resources to subsidize affordable housing to achieve the needed price points is a state challenge. The extent of the issue requires a robust and regional response from all sectors of the community (public, private, non-profit) working collaboratively and transparently to build and engage community support and accelerate housing solutions.[24]

Summary of Market Information About the Bank's Three U.S. Territories

Two of the U.S. territories, Guam and the Commonwealth of the Northern Mariana Islands (CNMI), are located in the North Pacific Ocean and the third, American Samoa, is located in the South Pacific Ocean. Financial institution presence in these territories is limited. There are four FHLB Des Moines members chartered in Guam and none chartered in American Samoa or CNMI.

For many years, Community Investment products had not been deployed in the U.S. territories. To remedy this, throughout 2023 and 2024, the Bank conducted a substantial amount of outreach to encourage members and organizations located there to consider ways our resources could be leveraged to advance local affordable housing and community development objectives. Additionally, the Bank designated the territories as being eligible for Member Impact Funds and provided direct grants totaling $25,000 each to affordable housing organizations in American Samoa, CNMI, and Guam.

As a result of these efforts, for the first time since 2001 and 1999, the Bank received at least one AHP application in 2024 from American Samoa and CNMI, respectively. Additionally, for the first time since at least 2001, a member originated a CIA in 2024 for a project in Guam.

[23] Wyoming Community Development Authority: Statewide Housing Needs Assessment - February 2024
[24] Teton Region Housing Needs Assessment - March 2022

American Samoa

American Samoa is comprised of a group of islands. Of the three U.S. territories in the Bank's district, it is the closest to Hawaii. There are a total of 14 U.S. territories throughout the Caribbean Sea and Pacific Ocean. Among them, only people born in American Samoa are considered non-citizen nationals.[25] Notwithstanding their citizenship status, the people of American Samoa are known to have the highest per-capita rate of military participation of any U.S. state or territory.[26]

Approximately 90 percent of residents are Native Samoan, making it the most homogenous territory in the U.S. Of note, however, is that Native Samoans are not members of a federally recognized tribe. The American Samoan constitution upholds the matai leadership system and communal land ownership. Matai translates roughly to "title," and matai leaders oversee control of communal land that can only be owned, sold, and developed within small communities. This makes up 96 percent of all property in American Samoa.[27] Samoan law restricts the sale of most property to anyone with less than 50 percent Samoan ancestry.[28]

Access to financial institutions is limited, and there are no FHLB Des Moines' members charted there or serving the area. American Samoa is home to one of two public banks operating in the U.S. Notably, the other public bank is located in North Dakota, which is also a part of the Bank's district.[29]

There is not a non-depository CDFI,[30] Tribally Designated Housing Entity (TDHE),[31] or affordable housing project financed by low-income housing tax credits[32] in American Samoa.

The Samoa Housing Corporation is a state-owned enterprise that provides rental housing and financing for mortgage loans and other securities for housing purposes.[33]

The Development Bank of American Samoa (DBAS) provides affordable mortgage loans for new home construction and home repair as well as commercial loans to support business development. DBAS is also the conduit for federal assistance programs to facilitate housing for low-income families and individuals.[34] For example, DBAS administers HUD's HOME program and has been designated as lead authority for American Rescue Plan Act funds.[35]

Guam

Guam is an island located on the west side of the International Date Line, meaning it is one day ahead of the U.S. Japan is roughly twice as close to Guam as Guam is to Hawaii. The military base and tourism are the island's economic engines, as is construction from the public, commercial, and residential sectors.The indigenous people of Guam are Chamorro,[36] however, Chamorro is not a federally recognized tribe.

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[25] World Atlas: What are the US Territories
[26] Brown Political Review: American Samoa Tribal Sovereignty - April 6, 2022
[27] Brown Political Review: American Samoa Tribal Sovereignty - April 6, 2022
[28] AP News: Not all born in American Samoa want US citizenship – February 10, 2020
[29] American Banker: American Samoa finally gets a public bank. And U.S states are watching
[30] U.S. Department of the Treasury: CDFI Certification. See Appendix for full list of Certified Native CDFIs.
[31] U.S Department of Housing and Urban Development: National Directory of Tribes and TDHEs by ONAP Regions. See Appendix for full list of Federally Recognized Tribes and Tribally Designated Housing Entities.
[32] LIHTC Database. Data available for projects placed in service through 2022.
[33] Samoa Housing Corporation
[34] Development Bank of American Samoa
[35] Samoa News: DBAS designated to lead ARPA Affordable Home Loan Program, February 24, 2022
[36] Britannica: Guam

There are four FHLB Des Moines members chartered in Guam, two of which are credit unions.

A total of 15 affordable housing projects providing more than 1,300 units financed by low-income housing tax credits are located on Guam.[37] Five developments containing more than 400 housing units will revert by 2030, which accounts for almost 40 percent of the LIHTC developed affordable housing stock.[38]

There is not a TDHE serving the island.[39]

While a comprehensive affordable housing plan has not been developed, priority housing needs have been identified for the elderly, homeless, and special needs populations. Of note, the proportion of rental and owner-occupied units and monthly housing costs for each are nearly even.[40]

Compared to the other two territories in the Bank's district, Guam has a greater population size and number of affordable housing and community development organizations.

Commonwealth of the Northern Mariana Islands (CNMI)

CNMI is composed of 22 islands and islets and, like Guam, is located on the west side of the International Date Line. Some sources cite Chamorro as being the islands' indigenous people.[41]

Access to financial institutions is limited, and there are no FHLB Des Moines members chartered there, however, at least one FHLB Des Moines' member serves the area. Additionally, there is not a CDFI or TDHE that does business in CNMI. A total of five affordable rental projects providing more than 250 units financed with low-income housing tax credits are located in this territory, all of which are located on Saipan.[42]

Among the 17 selection criteria set forth in the 2023-2024 Qualified Allocation Plan are projects that provide three or more bedrooms, commit to offer units for sale or lease to existing tenants after the compliance period, and provide affordable housing on the islands of Tinian and Rota.[43]

Priority affordable housing and community lending needs include:

- Sustaining and expanding affordable housing stock
- Infrastructure construction and improvement to support housing
- Providing services to the homeless population including transitional housing and an emergency shelter
- Operational support of facilities providing services to special needs populations

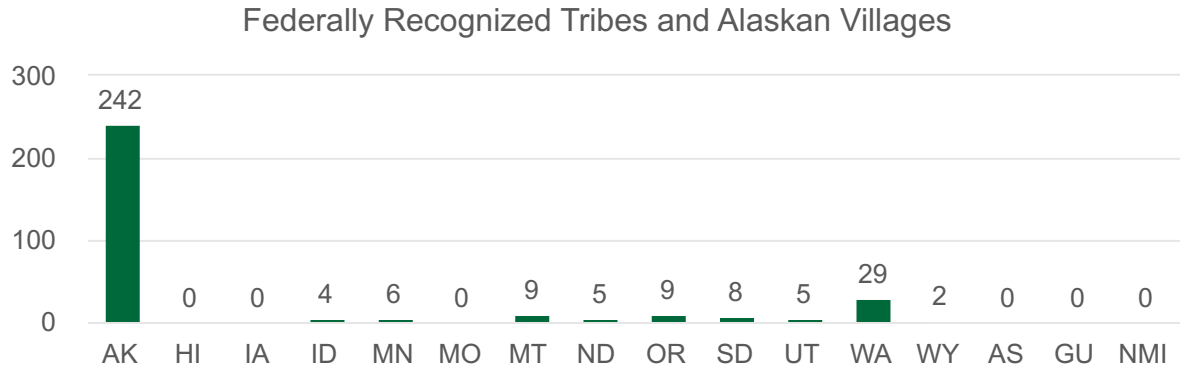
[37] LIHTC Database. Data available for projects placed in service through 2022
[38] Guam Housing Study and Needs Assessment, Page 21, January 2020
[39] US Department of Housing and Urban Development National Directory of Tribes and TDHEs by ONAP Regions. See Appendix for full list of Federally Recognized Tribes and Tribally Designated Housing Entities.
[40] Guam Housing Study and Needs Assessment, Page 18, January 2020
[41] Britannica: Chamorro
[42] LIHTC Database. Data available for projects placed in service through 2022
[43] Commonwealth of the Northern Mariana Islands Low Income Housing Tax Credit Program 2023 – 2024 Qualified Allocation Plan, Page 5

The Northern Marianas Housing Corporation (NMHC) serves the low- and moderate-income populations of Saipan, Tinian, and Rota. This organization administers federal housing programs and direct loans to qualified households for housing construction, developing and managing rental housing projects, and participating as a guarantor or trustee in housing loan programs. Shortages in construction labor and services have been identified as challenges and the creation of new typhoon resistant homes as opportunities.[44]

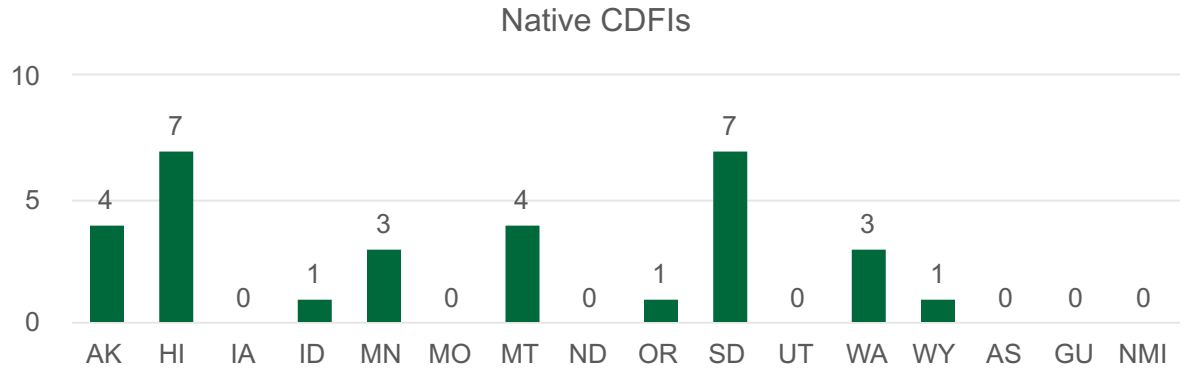
American Indian, Alaska Native, and Native Hawaiian

Overview

The Bank's district is home to approximately 30 percent of the U.S. Native population[45]. This population resides in urban and rural communities as well as on Tribal land, in Alaska Native Villages, on Department of Hawaiian Homelands, and in the district's U.S. territories. Of note, approximately 80 percent of Native households do not live on tribal lands. Moreover, in the U.S., there are 574 federally recognized tribes, 319 of which are located in the Bank's district.[46]



The FHLB Des Moines district is also home to 31 of a total 66 Native CDFIs.[47]



[44] Northern Marianas Housing Corporation Citizen Centric Report FY 2023, Page 5
[45] Merging Markets, Housing Assistance Council, 2015
[46] National Directory of Tribes and TDHEs by ONAP Regions. See Appendix for full list of Native Alaska Villages and Federally Recognized Tribes.
[47] US Department of the Treasury CDFI Certification. See Appendix for full list of Certified Native CDFIs.

Refer to the Appendices for a listing of federally recognized tribes, Native CDFIs, Tribally Designated Housing Entities, and information about the number of Native people living in the Bank's district.

Several organizations provide information about government and non-profit programs that target the affordable housing and community economic development needs of Native communities. For example, the Federal Reserve Bank of Minneapolis' Center for Indian Country Development and the National American Indian Housing Council provide links to, among other topics, research, resources, events and trainings.

A 2017 study by HUD's Office of Policy Development and Research[48] reports on the housing needs of Alaska Native and American Indians and refers to both populations collectively as American Indian and Alaska Native (AIAN). Information is also reported about Native Hawaiian housing needs. The Native housing needs reported below were largely sourced from this HUD study.

Native American

The Federal Reserve Bank of Minneapolis' Center for Indian Country Development (CICD) cites "five factors that reinforce barriers to housing in Indian Country:

- Native nations are sovereign but their land is held in trust and must have its titled cleared by the U.S. Government. Mortgages on trust land are also leasehold mortgages as opposed to fee-simple mortgages. Housing professionals and home buyers frequently identify these realities as significant hurdles

- Indian Country home buyers often face an uphill battle working with lenders to finance their home. Our economists' work shows that Native American borrowers on tribal lands are more likely to receive high-cost loans, leaving them to ultimately pay more for their homes over the life of a mortgage

- The tools designed to work in Indian Country are underutilized on trust land. This applies to Indian Country-specific products like HUD's Section 184. It is also true of products whose features make them relevant in Indian Country, like USDA's Section 502 loan program

- The federal government's failure to fulfill treaty obligations. Developments in Indian Country often pay today for the resulting historical underinvestment in physical infrastructure. For example, poor access to water or transportation raises the price of construction

- Federal funding sources with different eligibility and process requirements complicate the pre-construction process in, and may not reflect the unique needs of Indian Country"

[48] Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs

CICD research suggests four recommendations:

- "The federal government should continue to expand the financial capacity of Native CDFIs and other tribal institutions. Native CDFIs offer community-grounded credit solutions in Indian Country. Research suggests that the presence and activities of Native CDFIs increase the credit score of Indian Country residents that previously had the lowest credit scores

- The federal government can create a normalized and complementary interagency lending process in Indian Country

- An improved title process on trust land would support housing development and tribal sovereignty

- Data on Native Americans and Indian Country programs should be improved. With some exceptions, existing sources are often insufficient to assess policy impacts or changes in population-level well-being. Illuminating economic conditions in Indian Country will require collaboration on methodologies and new financial resources to obtain sufficient statistical samples."[49]

Alaska Native

The 1971 Alaska Native Claims Settlement Act established the U.S. government's current relationship with Alaska Natives. Under this Act, persons possessing "one-quarter or more Native blood" were automatically enrolled in a regional corporation, which is the governing body for overseeing land and resources of its members. In 1993, the U.S. Department of the Interior issued a ruling stating that Native villages and corporations have the same status as tribes and are, "entitled to the same protection, immunities, and privileges as other acknowledged tribes."[50]

Native Hawaiian

"Unlike its relationship with Native American Tribes and Alaska Native Villages, the U.S. government does not maintain a formal government-to-government relationship with the Native Hawaiian community as an organized, sovereign entity. No single agency in Hawaii is responsible for housing for the Native Hawaiian community, unlike the tribally designated housing entities (TDHEs) or tribal housing departments that operate housing programs in most other Native communities."[51]

[49] Summary of written testimony of Alene Tchourumoff, SVP, Center for Indian Country Development, Federal Reserve Bank of Minneapolis, United States Senate Committee on "Housing for Native Americans: Review of Federal Programs, Barriers, and Opportunities, May 27, 2021"
[50] Administration for Native Americans: American Indians and Alaska Native-What About Alaska?
[51] Housing Needs of Native Hawaiians: A Report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs

"In 1920, 39 years before statehood for Hawaii, the federal Hawaiian Homes Commission Act (HHCA) set aside approximately 200 thousand acres for the use of Native Hawaiians who are descendants 'of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778.' The act established 'a permanent land base for the benefit and use of Native Hawaiians.' One of its goals was to enable 'the preservation of the values, traditions, and culture of Native Hawaiians.' HHCA created the Department of Hawaiian Home Lands (DHHL) to administer the home lands. Individuals who meet HHCA's definition of a Native Hawaiian may assume a residential lease on the home lands if they can buy or build a home on the leased lot."[52]

"A 2017 HUD study reported as a principal finding the significant need for affordable housing among Native Hawaiians, especially among Native Hawaiians waiting for a lease on the Hawaiian homelands. The assessment also found that many Native Hawaiians strongly prefer housing and communities that support multigenerational and extended family ('ohana') living and socializing, which is part of traditional Native Hawaiian culture."[53]

Summary of Market Research to Inform the Bank's Discretionary Programs

FHLB Des Moines is continuously evaluating the needs of its district and the extent to which its Community Investment Products respond to those needs.

Our Discretionary Programs are designed to provide our members with additional pathways for investing in the vitality of their communities. These programs supplement the Bank's AHP, DPPs, and CIAs or leverage a Core Product for the direct benefit of low- and moderate-income communities.

Market research conducted to inform the development of our Discretionary Programs is summarized below. Additional information about the Bank's Discretionary Programs may be found in Section VI. FHLB Des Moines' Support of Unmet Credit Needs and Market Opportunities.

- Member Impact Fund (MIF)

  The AHP and DPPs are widely recognized for their impact advancing the affordable housing objectives of our members and the communities they serve. At the same time, the defined eligibility criteria for AHP and DPPs preclude them from being eligible to fund various components of the affordable housing and community development ecosystem, for example, predevelopment assessments, capacity building for nonprofit organizations, or other broader community needs such as youth programs. Additionally, AHP and DPPs' compliance and reporting requirements can be a perceived barrier for their use, particularly among new, small, and/or rural organizations.

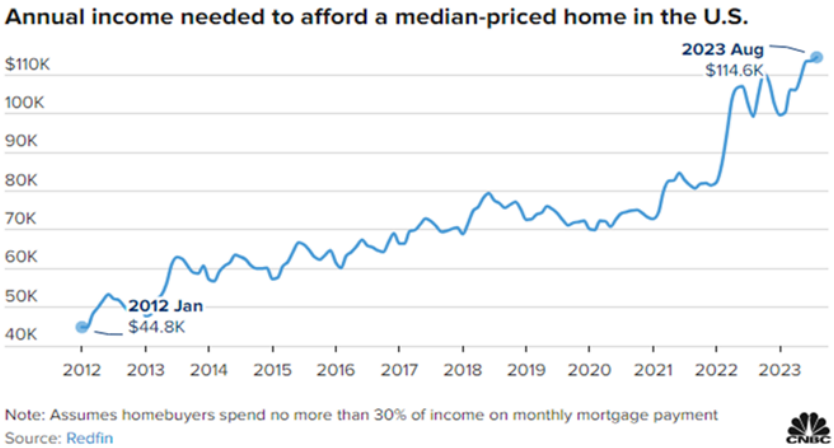
[52] HUD, PD&R Edge Magazine, published July 24, 2017
[53] Housing Needs of Native Hawaiians: A Report from the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs

In response, the Bank designed MIF to be a non-competitive, operationally efficient program that supports a broad range of community needs. MIF grants may be used for the same purposes as the AHP and DPPs. However, unlike AHP and DPPs that fund a specific low- or moderate-income project or homebuyer, MIF provides grants to support a non-profit or government agency's affordable housing or community development mission. These enterprise investments may be used for capacity building or for working capital, thereby empowering local organizations to self-determine how MIF awards can be best invested for the benefit of their community.

- Mortgage Rate Relief

According to the National Association of Realtors[54], it is more difficult for first-time buyers to purchase a home than at any time in two generations. This has short-circuited the path to homeownership for millions, bogged down the housing market and hampered the nation's economic growth. With average home sale prices approximately seven times higher than in 1981 and rates at the highest levels in over two decades, from a historic affordability standpoint, the market is the worst it has been since 1981.

Our communities are characterized by diverse populations, encompassing individuals with varying income levels; however, recent economic shifts have left low- and moderate income households struggling to secure stable and affordable living arrangements. According to Creditnews[55], since 2000, average home sale prices have increased at a much faster rate of 248 percent in comparison to income of 167 percent. The graph below shows the annual income needed to afford a median-priced home in the U.S. has almost tripled since 2012.



At current rates, the average household could spend more than 60 percent of its monthly income on mortgage payments, assuming a 10 percent down payment. Anything above 50 percent is considered a severe cost burden.

[54] How to Solve the Nation's Affordable Housing Crisis
[55] Mortgage Affordability is the Worst Since 1981

While house prices have moderated, a typical household still needs 7.25 years' worth of income to afford an average house. That's the second-highest on record. By comparison, it took the average household 3.7 years to afford an average house in 1981[56].

The FHLB Des Moines responded with the Mortgage Rate Relief, which allows members approved for participation in the Bank's MPF program to provide an approximate two percent interest rate reduction targeted to households with incomes at or below 80 percent of AMI.

- Habitat for Humanity® Advance Rate Discount

  In addition to the market dynamics that informed the Mortgage Rate Relief, through direct outreach with members and Habitat for Humanity® affiliates, the Bank understood that its members were constrained in their ability to purchase home mortgages from Habitat for Humanity® affiliates. These constraints were primarily due to the liquidity and net interest margin impacts of the below market interest rates of the mortgages serving Habitat affiliate households.

  Because members were restricted in their ability to purchase below market loans, the market for Habitat for Humanity® affiliates to sell their mortgages was limited. As a result of this barrier to liquidity, Habitat for Humanity® affiliates were stymied in their ability to increase the supply of affordable housing.

  The FHLB Des Moines responded with the Habitat for Humanity® Advance Rate Discount, which provides members with a zero percent 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.

[56] Mortgage Affordability is the Worst Since 1981

III. Significant Affordable Housing Needs Addressed in the AHP Scoring Criteria

Priorities summarized in Section II. Market Research of this Plan and identified by the Advisory Council, the independent third-party economist's report of published market assessments, the Bank's outreach to members, housing associates, and community partners, as well as various industry publications are captured in the competitive AHP's 2025 scoring criteria, which may be viewed in its entirety in the 2025 AHP Implementation Plan.

The Bank regularly evaluates the extent to which the outcomes of the competitive AHP funding rounds align with the priority needs identified in the AHP scoring criteria.

Examples of some of these priorities and the extent to which AHP projects[57], on average, during 2021 through 2023 were responsive to them are provided below:

- *Affordable Rental Housing for Households with Incomes at or below 50 Percent AMI*
    - 75 percent of the AHP-assisted rental units were reserved for households at or below 50 percent of AMI
    - 34 percent of AHP-assisted rental units were reserved for households at or below 30 percent of AMI

  The need for affordable rental housing targeting these households is acute throughout the Bank's district and the nation. However, the limited supply of rental assistance such as Section 8 housing vouchers impacts affordable housing organizations' ability to operate properties that reserve a significant proportion of units for very low-income households.

- *Housing for Homeless Households*
    - 42 percent of AHP projects reserved at least 20 percent of the their total units for homeless households

  Homelessness impacts urban and rural areas across the Bank's district. To ensure that the AHP is responsive to the many faces of homelessness, its definition is inclusive of households who are "doubled-up" temporarily in another household's home.

- *Housing for Native People*
    - 65 percent approval rate for AHP applications that provide Native housing versus a 47 percent approval rate for AHP applications as a whole
    - 20 percent of AHP projects supported Native people
    - 22 percent of AHP funds supported Native people

[57] AHP projects include funded alternates and exclude withdrawals

The Bank has a proud and long-standing commitment to providing capital for affordable housing that supports Native communities. The AHP scoring criteria prioritizes this need with effective results.

In addition to awarding funds for Native housing located in the Bank's district, AHP awards may be approved for projects located in other states. On these occasions, 86 percent of the AHP projects supported Native housing. This high proportion of awards for Native projects is evidence of the Bank's national reputation for being a source of financing for Native communities.

- *Housing for Special Needs Populations, Including but not Limited to the Elderly and Disabled Households*

    - 99 percent of AHP projects reserved at least 20 percent of the units for special needs households

  The shortage of affordable housing is dire for special needs populations, particularly those who may require onsite or other supportive services to ensure their well-being. In light of this market condition, nearly all AHP projects serve this need.

- *Housing that Provides Empowerment Services*

    - 98 percent of AHP projects offered at least one eligible empowerment activity

  Empowerment services provide residents with opportunities for economic advancement. Eligible activities include, but are not limited to, job training, homebuyer counseling, and resident involvement in decision making.

- *Preservation of Multi-Family Housing*

    - 14 percent of AHP projects helped to finance the preservation of affordable multi-family housing that received Federal subsidy

  For additional details on preservation, refer to Section IV. Assessment of Priority Areas Identified in the FHLBank System at 100 Report.

- *Rehabilitation for Existing Owner-Occupied Units*

    - 41 percent of AHP projects supported rehabilitation of owner-occupied housing

  This scoring criterion is an effective strategy for creating opportunity for elderly households to age in place and special needs households to continue to live independently. It also stimulates broader community revitalization efforts and may promote weatherization and climate resiliency practices.

- *New Construction of Owner-Occupied Housing*

    - Four percent of AHP projects supported new construction of owner-occupied housing

  The relatively low proportion of AHP funds awarded for this priority is correlated to the scarcity of other sources of funds for this project type. In general, the type of new construction of owner-occupied housing projects that are competitive for AHP are sponsored by Habitat for Humanity® or a community land trust and/or include USDA 502 financing.

  One of the Bank's voluntary programs, the Habitat for Humanity® Advance Rate Discount, provides a source of liquidity to Habitat affiliates to help stimulate new construction of affordable owner-occupied housing, thereby increasing the supply of this housing type.

- *Variable Points for In-District Projects*

  To encourage investment throughout the Bank's district, AHP applications from states in the Bank's district that have been challenged to compete for AHP funds are awarded more points than other states in the Bank's district.

  While this scoring criterion helps to advance a geographic distribution of AHP awards, it also allows for projects located outside the Bank's district to successfully compete for funds. Seven percent of AHP projects were awarded outside the FHLB Des Moines' district, the majority of which support Native housing.

AHP Awards Throughout the Bank's District

The Bank regularly assess the geographic distribution of annual AHP awards to evaluate the extent to which awards are made in our district's 13 states and three U.S. territories. While it is understood that anomalies may occur in a given year, the Bank has observed a persistent pattern whereby Hawaii is particularly challenged to receive an award even though at least one AHP application is submitted from that state annually. Additionally, from time to time, one or more states may not receive an AHP award in a given year.

To better support the distribution of funds throughout our district, AHP's In-District scoring criterion has a variable point structure that is tiered to award the most points to the areas most challenged to receive AHP awards.

- Maximum points in this category are awarded to Hawaii (new for 2025)
- The second tier awards points to Wyoming, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands
- The third tier awards points to Montana, Oregon, North Dakota, and Utah
- The final tier awards points to Alaska, Idaho, Iowa, Minnesota, Missouri, South Dakota, and Washington
- Two additional points are awarded for projects in states that did not receive an AHP award in the previous year (new for 2025)

Elevated Costs and Financing Gaps

For several years, economic dynamics such as increasing costs of labor and materials have put significant pressure on costs for affordable housing acquisition, development, and rehabilitation.

In response to these dynamics, the Bank continues to set $3 million as the maximum amount of subsidy that may be requested per AHP project and $150,000 as the maximum amount that may be requested per unit.

IV. Assessment of Priority Areas Identified in the FHLBank System at 100 Report

The FHFA identified five Priority Areas in its FHLBank System at 100 Report. When assessing how these Priority Areas related to the Bank's district, the Bank considered:

- Priority housing needs identified in Section II. Market Research and Section III. Significant Affordable Housing Needs Addressed in the AHP Scoring Criteria
- Quantitative AHP funding results, on average, during 2021 - 2023 for Priority Areas that the AHP scoring criteria addresses
- Extent to which Community Investment Products are eligible to serve priority needs and the opportunity for Discretionary Programs to be designed to be responsive to these needs

Production, Rehabilitation, and Preservation of Multi-Family Housing, Particularly Smaller Multi-Family

For several years, the Bank's AHP has prioritized these needs and produced strong outcomes for meeting them. Points are awarded in the AHP scoring criteria for:

- Acquisition and Rehabilitation of Naturally Occurring Affordable Housing
- Rehabilitation of Owner-Occupied Housing
- Rental New Construction of 24 Units or Less
- New Construction of Single-Family Owner-Occupied Housing
- Preservation of Federally Assisted Housing defined as:
    - Projects financed by HUD Section 8 project based rental assistance
    - Public Housing Authority/Housing and Rehabilitation Authority owned units
    - HUD 202 or 811 projects
    - U.S. Department of Agriculture Rural Development 514, 515, or 516 projects
    - Projects with existing Federal Low Income Housing Tax Credits

As a result:

- Approximately 60 percent of AHP projects have been awarded to finance multi-family housing. Of this amount:
    - 62 percent finance production
    - 38 percent finance rehabilitation
    - 26 percent finance preservation, as defined by the AHP scoring criteria above

Regarding small projects for multi-family housing:

- 60 percent of AHP projects have 40 units or less
- 35 percent of AHP projects have 24 units or less

When both multi- and single-family projects are included:

- 78 percent of AHP projects have 40 units or less
- 39 percent of AHP projects have 24 units or less

Adaptive Reuse of Commercial Properties for Housing and Community Development

For several years, the Bank's AHP scoring criteria has prioritized adaptive reuse. As a result, at least one AHP award has been approved annually for an adaptive reuse project.

When considered in the context of the complexity of this project type, the Bank's AHP results are strong. Although there are a limited number of adaptive reuse projects in development pipelines, by awarding AHP points for it, the FHLB Des Moines signals that AHP may be a potential source of funds should a proposed project prove to be feasible.

Generally speaking, headwinds that impact the pool of feasible adaptive reuse project are the inherent additional expenses associated with converting the designed purpose of an exiting structure to something different as well as the availability of other sources of funds for this specific type of project required to be developmentally and operationally feasible. Moreover, large scale affordable housing developers may find these projects to be too customized to accommodate, and small and emerging organizations may find them to be too complicated and expensive to pursue.

Purchase and Renovation of Homes in Distressed Neighborhoods where the Value of the Rehabilitated Home may not be Supported by Appraisals

Although the Bank does not offer a program tailored to this specific need, the AHP and discretionary program called the Member Impact Fund are both flexible in their ability to meet it. The capacity of organizations to address a specific and targeted need is generally influenced by the availability of sources of funds to finance it. While some state and local funders may prioritize this need, others do not.

In light of this dynamic, affordable housing organizations have advocated for adoption of a national Neighborhood Homes Investment Act. Per the National Association of Affordable Housing Lenders, this "bipartisan legislation (S. 98 and H.R. 2143) would provide tax credits for investments in the construction and rehabilitation of owner-occupied homes in economically distressed urban, rural and suburban neighborhoods".[58] Should this proposed legislation take effect, organizations could scale up their efforts to address this need and AHP could be leveraged to fill a financing gap.

To understand the extent to which the Bank's AHP is awarded in distressed areas, the Bank reviewed U.S. census tracts with a "persistent poverty" designation, defined as areas having a poverty rate of 20 percent or more for the past 30 years. AHP projects awarded during 2021 through 2023 were mapped to those areas.

- Approximately 30 percent of AHP projects included at least one unit in a "persistent poverty" census tract

Predevelopment for Multi-Family Housing, Including Transit-Oriented Housing, such as Site Assessments, Feasibility Studies, and Financial Planning

Predevelopment for affordable housing of all types and locations is widely needed throughout the Bank's district and the U.S. However, it is not an eligible use of funds for the AHP, DPPs, or CIA.

The discretionary program called the Member Impact Fund and its intentionally flexible design successfully positioned it to be an impactful source of funds for predevelopment. For example, in 2024 the Bank awarded $1.7 million to match 14 member contributions totaling $575 thousand for a non-profit affordable housing provider to create a predevelopment revolving loan fund for affordable housing.

Because transit-oriented development tends to be a policy that is more applicable in urban areas than rural ones, the Bank has not prioritized it. The AHP scoring criteria does not award points for projects located in urban or rural areas; however, the Bank regularly monitors the extent to which AHP is awarded in these areas.

Through outreach and other scoring criteria that attract rural projects, such as points in the Community Stability criterion for the preservation of housing assisted by U.S. Department of Agriculture Rural Development (RD) 514, 515 and 516 mortgages, the Bank consistently achieves a funding balance of rural and urban projects.

- 51 percent of the Bank's AHP projects support urban areas while the other 49 percent support rural areas

[58] https://naahl.org/policy/

Activities to Increase Climate Resiliency, Support Energy Efficiency and Disaster Resilient Practices

In addition to environmental advantages, advancing energy efficiency strengthens the operational feasibility of rental projects and promotes utility savings for owner-occupied ones. Moreover, increasing climate and disaster resiliency practices strengthens a property's ability to withstand high winds, wildfires, and other environmental threats, which may enhance opportunities to manage escalating insurance costs that are a particular burden for affordable rental housing and low- and moderate-income homeowners.

The AHP scoring criteria's points for rehabilitation of owner-occupied housing and its performance awarding approximately 60 percent of AHP projects for rehabilitation serve as proxy indications of the Bank's activities to increase energy efficiency.

To better understand the extent to which AHP applications include features that promote climate resiliency, beginning with the 2023 AHP competitive application process, we requested that housing sponsors self-report this information.

- For 2023 and 2024, an average of 55 percent of AHP applications submitted have been self-identified as including climate resiliency features

As the Bank considers options for activities to promote climate and disaster resiliency, it is mindful that there is not a standardized definition for either. This adds complexity and may increase the potential to adopt criteria that unintentionally favor some states over others, which could undermine efforts to geographically disburse AHP on an annual basis. Additionally, the Bank is cautious about the potential for unintended outcomes such as disadvantaging certain projects that may result from creating incentives for policy objectives that increase project cost.

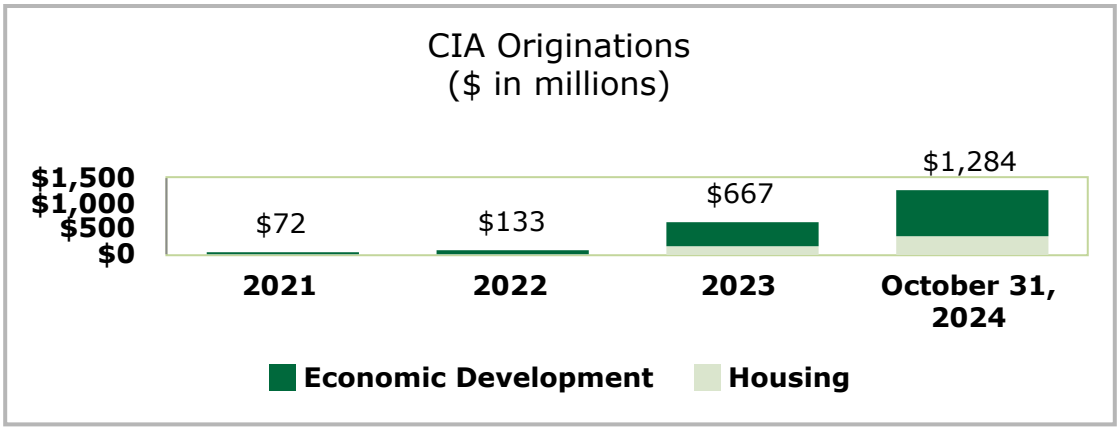
V. Targeted Community Lending

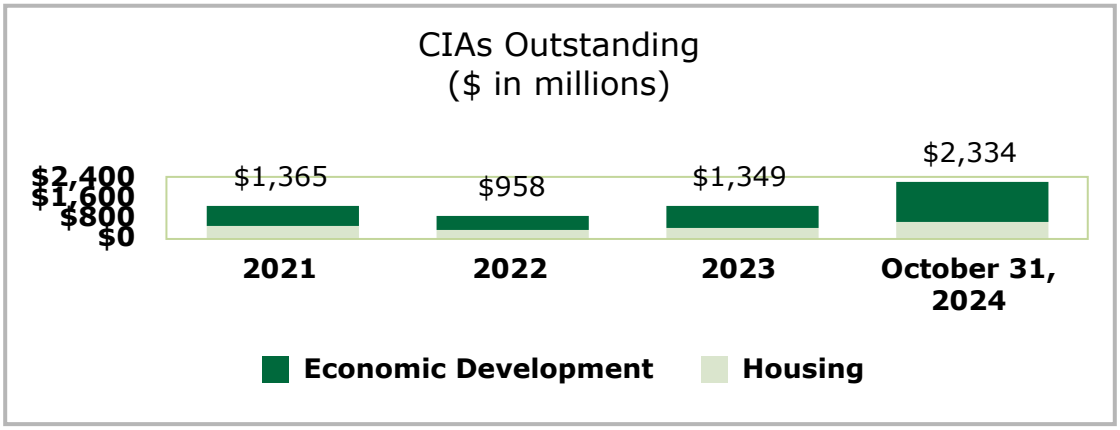
In addition to compiling information about affordable housing, the independent third-party economist's report concluded that, to the extent that community economic development needs are captured in published needs assessments, those needs are aligned with eligibility criteria for CIAs.

Examples of identified priority community economic development needs in the Bank's district include:

- Downtown revitalization and cure of blight
- Brownfield revitalization
- Public facilities and infrastructure, especially to spur employment
- Rural broadband extension and provision

CIAs may be used to finance eligible housing or community economic development activities. Effective for 2024, the Bank increased the maximum member limit for outstanding CIAs from $10 million to $20 million per member. This increase along with healthy demand for regular Bank advances resulted in 2024 achieving a new record for CIA originations.





VI. FHLB Des Moines' Support of Unmet Credit Needs

Community Investment Products

As stated in Section I. Introduction, the Bank offers a competitive AHP, two Down Payment Products (DPPs) called Home$tart and the Native American Homeownership Initiative (NAHI), and Community Investment Advances (CIAs).

The Bank's community outreach activities raise awareness about the availability of these products and how they may be deployed to support the unmet credit needs in the Bank's district. Moreover, technical assistance is regularly provided to members and housing partners to support their access to these products.

In 2023, the Bank had 289 unique members utilizing its Community Investment Products as of the end of August. In 2024, due in large part to the Bank's outreach efforts noted above, over 315 unique members were using Community Investment Products as of the end of August.

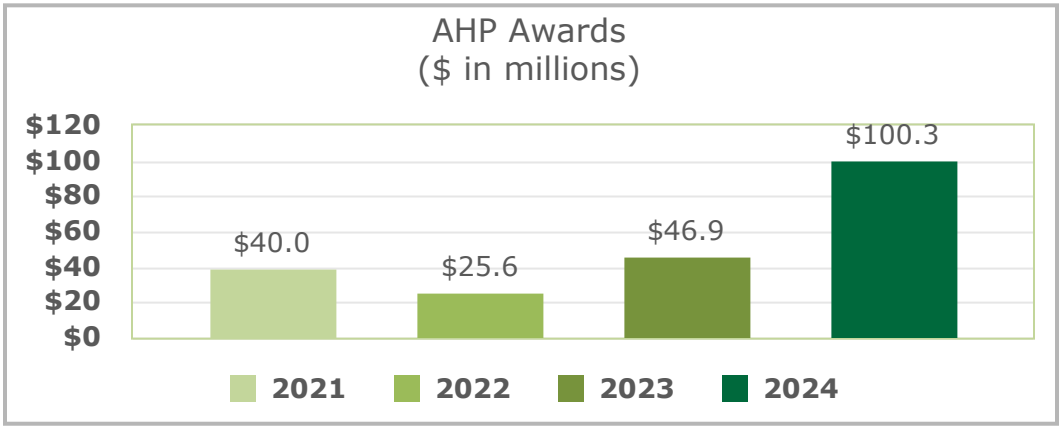
- Competitive AHP[59]

  Provides equity to help finance the development, rehabilitation, or acquisition of affordable rental or owner-occupied housing for households at or below 80 percent of AMI, adjusted for family size. AHP-assisted rental projects must reserve at least 20 percent of the units for households at or below 50 percent of AMI.

  Members apply for the AHP subsidy on a housing sponsor's behalf on an annual basis. Applications are reviewed for competitiveness according to AHP scoring criteria. Competitive applications are further reviewed for developmental and operational feasibility.

  Rental projects are subject to a 15-year retention period to ensure that resident incomes and rents comply with the commitments of the approved AHP application.

  Homeownership projects are subject to a five-year retention period. If the home is sold during the retention period, a pro rata amount of the AHP is repaid from net proceeds for every year the homeowner owed the home unless certain conditions are met as specified in the AHP Implementation Plan. Homeownership projects that use the AHP subsidy for owner-occupied rehabilitation are not subject to retention.



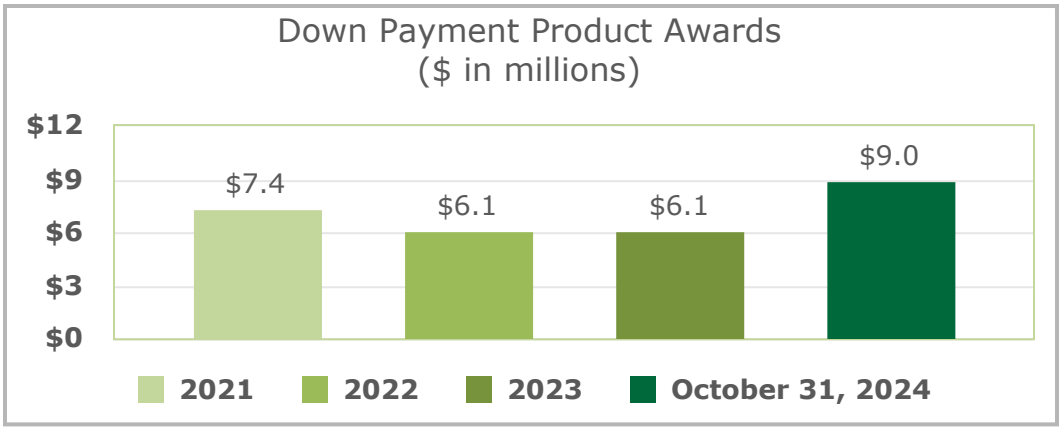
- Down Payment Products (DPP): Home$tart and NAHI

  Home$tart provides equity in the form of down payment or closing cost assistance to eligible first-time homebuyers to help finance their purchase of an owner-occupied unit. Members apply for the subsidy on behalf of an eligible homebuyer. Funds are released quarterly and made available on a first-come, first-served basis. Grants for Home$tart are $15,000 per household and $25,000 per household for home purchase in Hawaii.

[59] Represents amounts at the time the Board approved the AHP General Fund; does not include alternates

NAHI is similar to Home$tart in that it provides equity in the form of down payment assistance and is available to members on a first-come, first-served basis. However, NAHI funds are specifically set aside for households who are members of a federally recognized tribe or an Alaska Native Village and regional corporation established pursuant to the Alaskan Native Claims Settlement Act, or for Native Hawaiians who are eligible to reside on Hawaiian Home Lands. Additionally, NAHI funds may only be used for home purchase in the Bank's district. Grants for NAHI are $25,000 per household.

Home$tart and NAHI grants are subject to a five-year retention period that has the same requirements as that for AHP-assisted homeownership projects.



- CIAs

CIAs offer members a reduced-rate on certain advances with terms of 1 to 30 years. Funds are available on an ongoing basis and are not subject to ongoing monitoring.

In addition to several other eligibility criteria, CIAs may be used to provide financing for targeted community lending projects located in an Indian area as defined by the Native American Housing Assistance and Self Determination Act, an Alaskan Native Village, or Native Hawaiian Home Lands.

The maximum outstanding CIA balance per member is limited to $20 million.

The Bank's President and Chief Executive Officer or designee may waive the CIA member cap for eligible activities located in a federal disaster area to allow the rebuilding of communities affected by such disasters. The Bank reserves the right to cap the amount of CIAs to any single member for use in a federal disaster area. CIAs approved for this purpose must be originated within 18 months of the disaster declaration.

Demand for CIAs has been increasing steadily in tandem with demand for regular advances.

Refer to Section V. Targeted Community Lending for additional details on CIA activity.

Discretionary Programs

Discretionary programs are offered to supplement the Bank's Community Investment Products and provide innovative, streamlined pathways of opportunity for members to enhance their community lending and partnerships. As stated earlier in this Plan, funding for these discretionary programs is additional to the subsidy the Bank provides through its AHP and DPPs.

The Bank's Board of Directors set the following guiding principles to support its consideration of discretionary programs:

- Has a member nexus
- Promotes ease of use for members
- Positions members to drive investment in local needs
- Provides opportunity for distribution throughout the district
- Is operationally efficient for members and the Bank

In 2023, the Bank had 84 unique members utilizing its Discretionary Programs and recorded discretionary contribution expense in excess of five percent of its previous year's net income.

In 2024, over 240 unique members were using Discretionary Programs as of the end of October.

The table below summarizes discretionary contribution expenses recorded during the ten months ended October 31, 2024. The Bank expects to record a discretionary contribution expense of approximately six percent of its previous year's net income by year-end.

Discretionary Contribution Expense		
($ in Millions)	**As of October 31, 2024**	
Member Impact Fund	$	4
Mortgage Rate Relief Program		27
Habitat Advances		22
Voluntary AHP Contribution		11
Total Contributions	$	64
% of PY Net Income[1]		**5.73%**

1 - Prior year pre-assessed net income before MRCS and discretionary contribution expense

A summary of each of the Bank's discretionary programs is further outlined below:

- Member Impact Fund (MIF)

  Established in 2023, MIF awards grants through two channels, either matching grants to a member's donation or as direct grants from FHLB Des Moines to an organization located in each of the three U.S. territories in the Bank's district.

  MIF matching grants provide a Bank match of up to $3 for every $1 of a member's donation to an eligible nonprofit or government entity to advance the organization's affordable housing or community development activities.

  Grant funds may be used for capacity building or working capital, which are among the most important investments for the health and sustainability of the affordable housing and community development industries and, yet, the most difficult for organizations to secure.

  Through an FHLB Des Moines member, eligible organizations located in targeted states and U.S. territories are eligible to receive one or more MIF awards with each MIF offering. The MIF application process is streamlined and efficient, resulting in rapid deployment of funds to meet community needs.

  Awards support a broad range of organizations and activities such as down payment assistance, homeownership education, youth programs, financial literacy, food banks, job training, and much more.

    - 2023: 84 members received nearly $15 million in Bank grants for 500 awards in the states of Hawaii, Idaho, Utah, and Wyoming as well as the U.S. territory of Guam

    - Through October 31, 2024: 133 members received nearly $29 million in Bank grants for 759 awards in the states of Hawaii, Montana, North Dakota, Oregon and Washington as well as the U.S. territory of Guam

  Additionally through MIF, the Bank makes direct grants to organizations in each of the three U.S. territories in our district. These grants help to build relationships in the territories and raise awareness about other Bank products that can be leveraged to support local affordable housing efforts.

    - 2023: $5 thousand grants to each U.S. territory for a total Bank donation of $15 thousand

    - 2024: $20 thousand grants to each U.S. territory for a total Bank donation of $60 thousand

- Mortgage Rate Relief (MRR)

  Established in 2024, MRR provides an approximate 2 percent interest rate reduction on mortgages targeted for households at or below 80 percent of AMI. Homeowners can utilize this product for a home purchase or refinance.

    - Through October 31, 2024: The Bank purchased $285 million of mortgage loans from 103 members to benefit households at our below 80 percent of AMI.

- Habitat for Humanity® Advance Rate Discount (Habitat Advance)

  Established in 2024, the Habitat Advance provide FHLB Des Moines members with a zero percent advance to help finance mortgages they originated for or purchased from a Habitat for Humanity® affiliate. This source of liquidity provides Habitat additional mortgage lending capital to serve more low- and moderate-income homebuyers. It also allows members to establish new or strengthen existing partnerships with local and regional Habitat organizations.

  - Through October 31, 2024: $100 million of Habitat Advances to 24 members for the benefit of 29 Habitat for Humanity® affiliates

- Voluntary AHP

  A voluntary contribution to the AHP is made to offset the impact of total voluntary expenses to the Bank's net income, which is the denominator for calculating the Bank's 10 percent AHP contribution.

  - 2023: $5 million

  - As of October 31, 2024: $11 million

VII. Encourage Engagement with Non-Depository CDFIs

The Bank engages in regular outreach to current and prospective non-depository CDFIs members to raise awareness about the benefits of membership and ways that the Bank's core business and Community Investment products may advance these organizations' community lending goals and objectives.

This outreach includes regular in-person and virtual meetings, attendance at conferences, and direct marketing through email as well as communications with executive leaders.

In the Bank's district, there are a total of 183 depository and non-depository CDFIs, 108 of which are non-depository CDFIs and, of these, 26 have a housing nexus that is required to be eligible for Bank membership.

Seven of the 26 non-depository CDFIs that are eligible for membership are currently FHLB Des Moines members. These members specialize in single-family or multifamily housing. The remaining 19 are reviewed and pursued annually for membership.

There are two primary reasons why more non-depository CDFIs are not members. First, non-depository CDFIs are typically unable to meet regulatory requirements for membership. The most notable regulatory impediments include requirements to:

- Make or purchasing first-lien mortgages with a minimum five-year term

  - Most non-depository CDFIs with a housing nexus are not first-lien lenders

- Have 20 percent net assets / total assets

  - This is counter to a CDFI's mission to deploy capital in the community

Additionally, non-depository CDFIs that meet membership requirements often lack eligible collateral required to use the Bank's core products. They may also consider the process for delivering eligible collateral and taking haircuts to be non-market standard because it is not a requirement of their other funders.

Community Investment products, particularly grants provided through the DPPs, are aligned to this member segment's objective of promoting affordable homeownership.

All seven non-depository CDFI members have benefited from at least one of the Bank's Community Investment products or discretionary products. Listed below is a summary of activity through October 31, 2024:

- AHP
    - One non-depository CDFI member awarded two AHP projects totaling $1 million to help finance the following rental projects:
        - New construction of an elderly apartment complex
        - Acquisition and rehabilitation of an apartment complex primarily serving households at or below 50 percent of AMI
- DPP
    - Four non-depository CDFI members disbursed $1.8 million in DPP grants to help finance homeownership for 215 low- and moderate-income households
- CIAs
    - Two non-depository CDFI members originated six CIAs totaling $15 million
    - As of October 31, 2024, these members had $8 million in outstanding CIAs
- MIF
    - Three non-depository CDFI members received 11 MIF matching grants totaling nearly $260 thousand
- Habitat Advance
    - Two non-depository members received advances totaling $4.5 million

VIII. Encourage Members to Increase Targeted Community Lending and Affordable Housing Finance

In addition to offering its core business products, Community Investment products, and discretionary programs, the Bank deployed several strategies to encourage members to increase their targeted community lending and affordable housing finance by:

- Incorporating the Bank's housing mission and community investment objectives into the Bank's Strategic Business Plan (SBP)
- Providing product promotions and technical assistance resources to promote ease of use for members' and housing sponsors' participation
- Providing intentional and targeted outreach to Native communities and the U.S. territories
- Raising awareness about affordable housing and community development products and build relationships with community partners throughout our district
- Sponsoring conferences that promote affordable housing and community development

In the field, real-time feedback received through these various engagements helped to inform affordable housing and community lending priorities described throughout this Plan. Additionally, these engagements expanded the reach of the Bank's existing outreach and provided new channels for input from new and existing stakeholders.

Housing Mission in the Bank's SBP

The Bank's SBP recognizes Community Investment products as a strength, a strategic asset, and a key component of the Bank's value proposition to members. The quantitative goals included in this Plan are also featured in reports to the Board of Directors among a suite of metrics that are applicable to the SBP.

Product Promotions and Technical Assistance Resources

Throughout the year, the Bank proactively provides its member and community partners with updates about Community Investment product availability, requirements, and other information. These promotions are distributed to approximately 2,900 members and other stakeholders and feature notices about events such as but not limited to the opening of the AHP application and the quarterly release of Down Payment Product funds.

In 2024, the Bank hosted webinars to encourage broad participation in the AHP General Fund and to promote the use of Down Payment Products in Hawaii. Attendance at these webinars exceeded 220 members and affordable housing practitioners.

Our public website publishes carefully crafted technical assistance resources to support members' and AHP housing sponsors' detailed understanding of AHP eligibility requirements, feasibility guidelines, scoring criteria, and other features such as information about the AHP application process, the role and responsibility of the AHP sponsor and FHLB Des Moines member, resources provided in the AHP Implementation Plan, and more. Furthermore, an AHP self-scoring worksheet is provided to support users' assessment of which AHP scoring criteria may be applicable to their project.

Additionally, on an ongoing basis, the FHLB Des Moines offers on-demand technical assistance to members and housing groups, which is customized to be responsive to the particular need of a specific project or transaction and to foster community partnership.

Customized AHP Technical Assistance

- *Technical assistance for members.* FHLB Des Moines staff meet with individual member institutions to explain the process for applying for AHP funds, and the member's role and responsibilities associated with the AHP application and award such as but not limited to the member's responsibilities for ensuring compliant use of funds. Additionally, Bank staff highlight the benefits AHP offers such as opportunities for the member to expand partnerships with nonprofit organizations and to its increase affordable housing finance and targeted community lending activities.

- *Technical assistance for AHP sponsors*. Bank staff meet with organizations interested in applying for AHP to review the application process and award responsibilities. These meetings also address the characteristics of a specific project such as its design, financials, and targeted residents, and how those characteristics will be evaluated from the perspective of AHP's scoring criteria, feasibility guidelines and eligibility requirements. Additionally, Bank staff direct AHP sponsors to resources that assist them in building relationships with FHLB Des Moines member institutions.

Customized Down Payment Product Technical Assistance

- *Technical assistance for members*. FHLB Des Moines staff meet with individual member institutions to review resources that provide an orientation about the Down Payment Products. For those interested in deploying funds, additional technical assistance is provided to educate the member about the process for reserving, disbursing, and recording retention on funds, as well as how to use the FHLB Des Moines' online system for product participation.

- *Technical assistance for nonprofits*. FHLB Des Moines provides technical assistance for the use of Down Payment Products, explains the members' role in deploying the funds and identifies resources to help the nonprofit select members with which to partner.

  Information about the Down Payment Products' retention requirements and related compatibility with other down payment assistance funds is also discussed. This guidance strengthens nonprofits' ability to partner with financial institutions and to help eligible households finance the purchase of a home.

Targeted Outreach to Native Communities

- FHLB Des Moines Native Outreach Directory

  The Bank's public website offers a Native Directory that is designed to facilitate partnerships between members and Native CDFIs and tribally designated housing entities. An inter-active regional map of the Bank's 13-states enables members to quickly locate Native partners, and links to the Member Directory allows Native partners to quickly locate members. Additional links to information about the Bank's community investment products are provided to support these stakeholders' efforts to unlock financing opportunities that support affordable housing and community economic development on Native lands and for Native people.

- South Dakota Native Homeownership Coalition (SDNHC) and Lender Symposium

  The Bank's long-standing engagement with the South Dakota Native Homeownership Coalition continues to grow. Throughout 2024, Bank management remained actively engaged in meetings, which provided opportunities to deepen relationships with Coalition members including Native American Tribes, FHLB Des Moines member financial institutions, Freddie Mac, and other advocates supporting Native homeownership in South Dakota.

  The SDNHC's 2024 Lender Symposium was attended by Bank staff and approximately 60 other stakeholders representing Fannie Mae, USDA Rural Development, FDIC, and Native-led organizations. Topics included conventional and government mortgage lending products for tribal lands as well as opportunities for Native CDFIs to build capital and become third-party originators.

- Oweesta Native CDFI Capital Access Convening

  Bank staff hosted a breakout session with six other FHLBanks attended by approximately 20 Native CDFIs to raise awareness about ways the FHLBanks provide capital and otherwise support Native communities. The wider conference was attended by over 250 representatives from Native CDFIs as well as other stakeholders such as Freddie Mac, Fannie Mae, USDA Rural Development, and HUD. Bank staff established new and strengthened existing relationships with attendees to further promote partnerships that amplify Native-led initiatives for Indian Country.

- National Native Homeownership Coalition - Lending System Focus Group

  Bank staff are regular participants in discussions led by NeighborWorks to build alliances among diverse stakeholders to promote policies that advance economic opportunity in Native communities. Examples of priorities include efforts to expedite clearance of title on Native lands, financing options for affordable housing development, and training programs for tribal members to become professional appraisers.

- Department of Hawaiian Homelands Collaboration

  Bank staff developed a lease addendum in partnership with the Department of Hawaiian Home Lands to be used by low- and moderate-income households purchasing a home on Hawaiian Home Lands. This document provides a pathway for Bank's members to deploy NAHI and Home$tart's $25,000 down payment grants.

- Collaboration with Freddie Mac

  Bank staff is collaborating with Freddie Mac to promote awareness among financial institutions about ways the Bank's NAHI grants can be used with Freddie Mac's HeritageOne mortgage product to meet the borrowing needs of enrolled members of federally recognized American Indian and Alaska Native (AIAN) tribes.

- The Opportunity Project Sprint: Expanding Opportunities for Native Homeownership and Housing Stability

  Bank staff participated in an initiative sponsored by the U.S. Census Bureau and HUD that includes representation from organizations such as Native CDFIs and Native and non-Native led research groups and housing authorities. The project aims to develop a tool that addresses roadblocks to American Indian and Alaska Native (AIAN) access to housing resources, which is scheduled to be available in 2025.

Targeted Outreach to the U.S. Territories

- Guam Community Reinvestment Act (CRA) Roundtable

  Throughout 2024, the Bank was an active presenter and participant in the Guam CRA Roundtable to provide information about the Bank's Community Investment programs. These virtual meetings convene monthly and are an opportunity to build relationships with the broad range of stakeholders in attendance such as representatives of Rural Community Assistance Corporation, NeighborWorks, GHURA, HUD, Federal Reserve, USDA, FDIC, and others. Meeting topics focus on Guam's affordable housing and economic development needs, opportunities, and partnerships.

- Member Impact Fund

  Through the Member Impact Fund the Bank expanded it reach of stakeholders to include organizations in each of the three U.S. territories, which created opportunities to promote AHP and provide customized technical assistance to support participation in the 2024 AHP Competitive process.

  As a result of the Bank's outreach and technical assistance, one AHP application from American Samoa and three AHP applications from the Northern Marianas Islands were submitted in 2024.

  Additionally, one CIA was approved for a member charted in Guam.

Raise Awareness about Community Investment Products and Build Relationships

In addition to targeted outreach to Native communities and the U.S. territories, the Bank participated in several in-person and virtual outreach events throughout our District to raise awareness about and promote access to capital provided through our Community Investment products.

- Connecting Capital to Communities Events

  The Bank hosted events in Seattle and Salt Lake City to expand awareness about Community Investment products and reach new stakeholders. These events were attended by more than 70 members and affordable housing practitioners.

  In Seattle, the event included a panel of members and housing organizations who shared their perspectives about the region's affordable housing needs, the role members play in expanding affordable housing, best practices for engaging in the AHP application process, and ways to strengthen partnerships between members and housing groups. Breakout sessions facilitated networking among participants and promoted dialogue around challenges for increasing the affordable housing supply.

  In Salt Lake City, the event included a listening session with members and housing practitioners. A key theme that emerged was the state's focus on increasing housing supply at all income levels while ensuring that very low-income populations are also served.

  At both events, stakeholders emphasized the complexity of the development process and corresponding need to simplify AHP as a means of enhancing its role as a collaborative, mission-based source of funds.

- Minnesota Interagency Stabilization Group (ISG)

  As members of the Minnesota ISG, Bank staff participate in regular discussions about the state's affordable housing needs and ways our Community Investment products provide a source of funds to address them. Among the priority needs discussed is the stabilization and preservation of affordable housing, which is an affordable housing need to which the AHP scoring criteria is responsive. Stakeholders include the state's housing finance agency, private foundations, Local Initiatives Support Corporation (LISC), a regional community development agency, local government agencies, and HUD.

- North Dakota Direct Line

  FHLB Des Moines participated in a webinar hosted by the Bank of North Dakota and attended by more than 100 financial institutions and community groups. The presentation included information about the funds available for affordable housing and community development in 2024. Particular attention was paid to the Member Impact Fund, which provided a unique opportunity for members in North Dakota to receive a matching grant to strengthen their communities.

- Southeast Minnesota Together

  Bank staff presented information about the Competitive AHP to nine members of Southeast Minnesota Together, a regional network that develops and pursues strategies to address workforce shortages and affordable housing.

- Minnesota Bankers Association

  Bank staff presented information about ways the FHLB Des Moines partners with our member financial institutions to provide products and services that enhance economic opportunity. The event was attended by approximately 250 Minnesota bankers.

- Federal Reserve Bank (FRB) of Kansas City

  Bank staff hosted an educational session about Community Investment products for six community outreach staff of the FRB of Kansas City. The FRB of Kansas City shares two states in the FHLB Des Moines district, and its community outreach staff connect financial institutions to affordable housing and community development practitioners. Strengthening relationships with these staff supports the Bank's outreach to diverse communities and efforts to engage members in affordable housing and community development finance.

- Oregon Bankers Association

  Bank staff presented an overview about Community Investment products that support the purchase, construction, or rehabilitation of affordable housing. Approximately 12 Oregon banks' Community Reinvestment Act (CRA) officers and lenders were in attendance. The strategic benefit of this outreach is comparable to what is described above for the FRB of Kansas City.

- Iowa Bankers Mortgage Corporation

  Bank staff presented to approximately 60 banks and other lending organizations to promote the availability of the Bank's DPPs and ways these grants funds can create opportunity for homeownership for low- and moderate-income households.

- GoWest Credit Union Association

  FHLB Des Moines hosted a webinar focused on raising awareness about the availability of the Bank's Down Payment Products and ways credit unions can deploy them to support affordable homeownership for eligible low- and moderate-income households. Approximately 20 individuals from 12 credit unions attended covering GoWest's region of Idaho, Oregon, Washington, Wyoming, and two other states outside of the Bank's district.

- Wyoming Bankers CRA Roundtable

  FHLB Des Moines presented at the Wyoming Bankers Community Reinvestment Act (CRA) Roundtable. The meeting was convened by the Federal Deposit Insurance Company (FDIC), Office of the Comptroller of the Currency (OCC), and the Federal Reserve Bank of Kansas City. The roundtable had 40 attendees representing Wyoming banks and affordable housing funders and partners. The agenda focused on affordable housing development strategies to meet the housing needs of low- and moderate-income residents in Wyoming. Additionally, participants were able to connect with stakeholders to learn about partnership opportunities to expand capital to support development of affordable housing.

Sponsorships for Affordable Housing and Community Development Conferences

- Missouri Housing Conference

  The Bank sponsored and attended the 2024 Missouri Workforce Housing Association conference to learn about the affordable workforce housing needs across Missouri and to enhance and build new relationships with the more than 330 community organizations, public agencies, private and nonprofit developers, funders, and other stakeholders in attendance. Topics included combating NIMBYism, the increased cost of insurance, and the health and well-being of affordable housing in Missouri, among others.

  Additionally, the Bank sponsored the 12th Annual Community Development celebration of the Community Builder's Network of Missouri to honor the organizations and people in the St. Louis region that champion the communities most impacted by systemic disinvestment.

- Iowa Housing Conference

  FHLB Des Moines sponsored and attended the annual HousingIowa Conference, hosted by the Iowa Finance Authority. The two-day conference was attended by over 800 individuals representing Iowa non-profits, local governments, housing authorities, banks and credit unions, developers, real estate agencies, and others involved with housing. The agenda included topics pertaining to insurance, housing programs compliance, disaster response, drug and human trafficking awareness, the National Association of Realtors settlement, homelessness, and home ownership in Iowa. Bank representatives had meaningful conversations with housing partners, which included positive feedback about AHP and Down Payment Products. The event created new and strengthened existing relationships with organizations that are interested in participating in the Bank's Community Investment products.

- Utah Housing Conference

  The Bank sponsored the 2024 Housing Matters conference of the Utah Housing Coalition where more than 300 practitioners, funders, government agencies, and other stakeholders attended workshops with topics such as, state legislation updates, how to address housing supply and affordability challenges, tax credits and how to make them work, federal funding and the impacts on your projects, and unlocking the housing potential within your community.

- 2024 Iowa Credit Union League Convention

  FHLB Des Moines sponsored and presented at the 2024 Iowa Credit Union League Convention. The three-day convention was attended by over 600 individuals representing Iowa Credit Union employees and board members. The Bank hosted a session for approximately 60 attendees that focused on an overview of the Bank's Community Investment products and how our credit union members can utilize the products to promote affordable housing in their markets. The session also included a question and answer session that included trends and challenges in affordable housing and how credit unions can be engaged in affordable housing solutions. The Bank received positive feedback on the increase in Home$tart down payment funding and how the program helps the credit unions make homeownership possible for low- and moderate-income borrowers.

- 2024 Emerging Developers Summit

  FHLB Des Moines sponsored and presented information about our Community Investment products at the first annual Emerging Developers Summit in Kansas City, MO. The event, co-sponsored by HUD's Great Plains office, Local Initiatives Support Corporation of Kansas City, the Federal Home Loan Bank of Des Moines, the Health Forward Foundation, the Heartland Black Chamber of Commerce, and the Hispanic Chamber of Commerce of Greater Kansas City, was designed to encourage and support a pipeline of emerging developers of color to increase diversity in real estate, bridge racial wealth and housing gaps, and address the national housing crisis. The summit was attended by over 230 individuals.

  The three-day agenda included sixteen hour-long panels covering topics such as the basics of the real estate development process, how to access capital for pre-development activities, tax credit utilization, partnership and joint venture formation, leveraging philanthropic foundations, and case studies from local minority developers that have overcome these same barriers and have found success.

- HomeFree USA: Reaching Millions Conference

  FHLB Des Moines sponsored and attended HomeFree USA's 20th annual Reaching Millions Leadership & Business Development Conference focused on understanding the affordable housing market and its opportunities; the future of DEI; as well as housing policies, programs and impacts to organizations. Bank staff networked with numerous HomeFree USA affiliates, realtors and mortgage lenders to build new relationships and raise awareness about Bank programs that support affordable housing creation and homeownership.

- Funding Your Affordable Housing Project Workshop

  The Bank and Kingsway Development, a Black-led community development organization, partnered to promote awareness about the FHLB Des Moines' Community Investment products and to provide technical assistance about the AHP application process. The workshop was targeted to diverse developers and attended by approximately 60 people representing FHLB Des Moines members, local housing organizations, and other community groups.

- 2024 Mortgage Conference

  FHLB Des Moines hosted more than 350 members at its 2024 Mortgage Conference. Over the course of two-days, Bank staff networked with members and promoted information about the Mortgage Partnership Finance (MPF) program, Down Payment Products, and the Mortgage Rate Relief program. The event garnered members' interest in enrolling in Down Payment Products, specifically the Native American Homeownership Initiative. Bank staff also encouraged partnerships between members and Native CDFIs to deploy NAHI funds to eligible Native homebuyers.

- Idaho Housing Conference

  The Bank sponsored the 2024 Housing and Economic Development conference of the Idaho Housing and Finance Association where participants attended workshops with topics such as, learning how tax credits can attract private investment to distressed communities, how to structure loans using down-payment assistance, and strategies for maintaining existing affordable housing at risk of market-rate conversion.

- Montana Housing Conference

  FHLB Des Moines sponsored one of 20 breakout sessions offered at the annual conference of the Montana Housing Partnership. The session, Advocacy 101 - Connecting with Local Legislators for Housing Solutions, provided participants with information about effective engagement with policymakers and explored the legislative process and ways to build lasting relationships with local representatives to advance housing policies. More than 370 practitioners, developers, government agencies, funders, and others representing 23 states attended the conference.

- Oregon Housing Conference

  The Bank sponsored the 2024 Housing Oregon Industry Support conference where more than 950 participants engaged with top innovators, policy experts, decision-makers, and industry professionals to share innovative ideas, crucial resources, and foster collaboration. Conference workshops focused on affordable rental housing development fundamentals, finance, land banking, site control, and infrastructure, mixed-use development, and preservation.

- South Dakota Housing Conference

  FHLB Des Moines' sponsorship of the 2024 annual conference helped to ensure a successful and impactful event for the more than 290 stakeholders in attendance which included lenders, developers, property managers, non-profit housing organizations, investors and local government agencies. Workshops provided information about eligibility requirements for HUD's Housing Opportunity through Modernization Act, housing development, capital improvement planning for communities, building sustainable infrastructure through workforce development and construction, and opportunities and challenges for expanding housing in your community.

- Washington Housing Conference

  The Bank sponsored the Housing Washington 2024 conference, a significant resource for affordable housing learning, guidance, innovation, and solutions. The 2024 conference hosted more than 900 industry and thought leaders, practitioners, and advocates, among others and provided opportunities to learn about homeownership with the Black Home Initiative, multifamily management and development, and pathways to housing security.

VIV. Quantitative Targeted Community Lending Performance Goals

Refer to Appendix 1 for a report of progress to 2024 Performance Goals.

2025 goals are:

- The sum of member participations in the Bank's core and discretionary housing mission products within the 2025 calendar year
    - Threshold: 600 member participations
    - Target: 700 member participations
    - Maximum: 800 member participations
- Offer discretionary programs funded at an amount that is at least 5 percent of the previous year's net income
- Conduct in-person outreach in Hawaii and other states
- Participate in and/or support 10 community lending conferences and workshops
- Promote business opportunities with existing and prospective CDFI members

Appendix 1

Report of Progress to 2024 Performance Goals

As of October 31, 2024

- Goal: $300 million in CIA originations
    - *Progress: CIA originations totaled $1.3 billion*
- Goal: Participate in and/or support 10 community lending conferences and workshops
    - *Progress: The Bank participated in and/or supported 37 community lending conferences and workshops*
- Goal: Promote business opportunities with existing and prospective housing associates
    - *Progress: Targeted outreach to 10 housing associates*
- Goal: Promote business opportunities with existing and prospective CDFI members
    - *Progress: The Bank explored opportunities with 12 CDFIs, two of which are certified Native CDFIs*

Appendix 2
Federally Recognized Tribes and Alaska Native Villages[60]

Alaska	242
Agdaagux Tribe of King Cove	
AHTNA, Incorporated	
Akiachak Native Community	
Akiak Native Community	
Alaska Native Tribal Health Consortium	
Alatna Village	
Aleut Corporation	
Algaaciq Native Village	
Allakaket Village	
Alutiiq Tribe of Old Harbor	
Angoon Community Association	
Anvik Village	
Arctic Slope Regional Corporation	
Arctic Village	
Asa'Carsarmiut Tribe	
Beaver Village	
Bering Straits Native Corporation	
Birch Creek Tribe	
Bristol Bay Native Corporation	
Calista Corporation	
Catholic Community Service	
Central Council of the Tlingit & Haida Indian Tribes	
Chalkyitsik Village	
Cheesh-Na Tribe	
Chevak Native Village	
Chickaloon Native Village	
Chignik Bay Tribal Council	
Chignik Lake Village	
Chilkat Indian Village	
Chilkoot Indian Association	
Chinik Eskimo Community	
Chugach Alaska Corporation	
Chuloonawick Native Village	
Circle Native Community	
Cook Inlet Region, Incorporated	
Cook Inlet Tribal Council, Inc	
Craig Tribal Association	
Curyung Tribal Council	
Douglas Indian Association	
Doyon, Limited	
Egegik Village	
Eklutna Native Village	

[60] National Directory of Tribes and TDHEs by ONAP Regions

Emmonak Village	
Evansville Village	
Galena Village	
Gulkana Village Council	
Healy Lake Village	
Holy Cross Tribe	
Hoonah Indian Association	
Hughes Village	
Huslia Village	
Hydaburg Cooperative Association	
Igiugig Village	
Iqugmiut Traditional Council	
Ivanoff Bay Tribe	
Kaguyak Village	
Kaktovik Village	
Kasigluk Traditional Elders Council	
Kenaitze Indian Tribe	
Ketchikan Indian Community	
King Island Native Community	
King Salmon Tribe	
Klawock Cooperative Association	
Knik Tribe	
Kokhanok Village	
Koniag, Incorporated	
Koyukuk Native Village	
Levelock Village	
Lime Village	
Manley Hot Springs Village	
Manokotak Village	
McGrath Native Village	
Mentasta Traditional Council	
Metlakatla Indian Community, Annette Island Reserve	
Naknek Native Village	
NANA Regional Corporation	
Native Village of Afognak	
Native Village of Akhiok	
Native Village of Akutan	
Native Village of Aleknagik	
Native Village of Ambler	
Native Village of Atka	
Native Village of Atqasuk	
Native Village of Barrow Inupiat Traditional Government	
Native Village of Belkofski	
Native Village of Brevig Mission	
Native Village of Buckland	
Native Village of Cantwell	
Native Village of Chenega	
Native Village of Chignik Lagoon	

Native Village of Chitina	
Native Village of Chuathbaluk	
Native Village of Council	
Native Village of Deering	
Native Village of Diomede	
Native Village of Eagle	
Native Village of Eek	
Native Village of Ekuk	
Native Village of Ekwok	
Native Village of Elim	
Native Village of Eyak	
Native Village of False Pass	
Native Village of Fort Yukon	
Native Village of Gakona	
Native Village of Gambell	
Native Village of Georgetown	
Native Village of Goodnews Bay	
Native Village of Hamilton	
Native Village of Hooper Bay	
Native Village of Kanatak	
Native Village of Karluk	
Native Village of Kiana	
Native Village of Kipnuk	
Native Village of Kivalina	
Native Village of Kluti Kaah	
Native Village of Kobuk	
Native Village of Kongiganak	
Native Village of Kotzebue	
Native Village of Koyuk	
Native Village of Kwigillingok	
Native Village of Kwinhagak	
Native Village of Larsen Bay	
Native Village of Marshall	
Native Village of Mary's Igloo	
Native Village of Mekoryuk	
Native Village of Minto	
Native Village of Nanwalek	
Native Village of Napaimute	
Native Village of Napakiak	
Native Village of Napaskiak	
Native Village of Nelson Lagoon	
Native Village of Nightmute	
Native Village of Nikolski	
Native Village of Noatak	
Native Village of Nuiqsut	
Native Village of Nunam Iqua	
Native Village of Nunapitchuk	
Native Village of Ouzinkie	

Native Village of Paimiut	
Native Village of Perryville	
Native Village of Pilot Point	
Native Village of Point Hope	
Native Village of Point Lay	
Native Village of Port Graham	
Native Village of Port Heiden	
Native Village of Port Lions	
Native Village of Ruby	
Native Village of Saint Michael	
Native Village of Savoonga	
Native Village of Scammon Bay	
Native Village of Selawik	
Native Village of Shaktoolik	
Native Village of Shishmaref	
Native Village of Shungnak	
Native Village of Stevens	
Native Village of Tanacross	
Native Village of Tanana	
Native Village of Tatitlek	
Native Village of Tazlina	
Native Village of Teller	
Native Village of Tetlin	
Native Village of Tuntutuliak	
Native Village of Tununak	
Native Village of Tyonek	
Native Village of Unalakleet	
Native Village of Unga	
Native Village of Wales	
Native Village of White Mountain	
Nenana Native Association	
New Koliganek Village Council	
New Stuyahok Village	
Newhalen Village	
Newtok Village	
Nikolai Village	
Ninilchik Village	
Nome Eskimo Community	
Nondalton Village	
Noorvik Native Community	
Northway Village	
Nulato Village	
Nunakauyarmiut Tribe	
Organized Village of Grayling	
Organized Village of Kake	
Organized Village of Kasaan	
Organized Village of Kwethluk	
Organized Village of Saxman	

Orutsararmiut Traditional Native Council	
Oscarville Traditional Village	
Pauloff Harbor Village	
Pedro Bay Village	
Petersburg Indian Association	
Pilot Station Traditional Village	
Pitka's Point Traditional Council	
Platinum Traditional Village	
Portage Creek Village	
Qagan Tayagungin Tribe of Sand Point	
Qawalangin Tribe of Unalaska	
Rampart Village	
Saint George Island	
Saint Paul Island	
Salamatof Tribe	
Seldovia Village Tribe	
Shageluk Native Village	
Sitka Tribe of Alaska	
Skagway Village	
South Naknek Village	
Southcentral Foundation	
Stebbins Community Association	
Sun'aq Tribe of Kodiak	
Takotna Village	
Tangirnaq Native Village	
Telida Village	
Traditional Village of Togiak	
Tuluksak Native Community	
Twin Hills Village	
Ugashik Village	
Umkumiut Native Village	
Valdez Native Tribe	
Village of Alakanuk	
Village of Anaktuvuk Pass	
Village of Aniak	
Village of Atmautluak	
Village of Bill Moore's Slough	
Village of Chefornak	
Village of Clarks Point	
Village of Crooked Creek	
Village of Dot Lake	
Village of Iliamna	
Village of Kalskag	
Village of Kaltag	
Village of Kotlik	
Village of Lower Kalskag	
Village of Ohogamiut	
Village of Red Devil	

Village of Sleetmute	
Village of Solomon	
Village of Stony River	
Village of Venetie	
Village of Wainwright	
Wrangell Cooperative Association	
Yakutat Tlingit Tribe	
Yupiit of Andreafski	
Hawaii	**0**
Idaho	**4**
Coeur D'Alene Tribe	
Kootenai Tribe of Idaho	
Nez Perce Tribe	
Shoshone-Bannock Tribes of the Fort Hall Reservation	
Iowa	**0**
Minnesota	**6**
Lower Sioux Indians Community in the State of Minnesota	
Minnesota Chippewa Tribe Six component reservations: Bois Forte Band (Nett Lake); Fond du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band	
Prairie Island Indian Community of Minnesota	
Red Lake Band of Chippewa Indians	
Shakopee Mdewakanton Sioux Community of Minnesota	
Upper Sioux Community	
Missouri	**0**
Montana	**9**
Apsaalooke Nation	
Assiniboine & Sioux Tribes of Ft. Peck	
Blackfeet Tribe	
Chippewa Cree Construction Corporation	
Chippewa Cree Tribe of the Rocky Boy Reservation	
Confederated Salish & Kootenai Tribes	
Fort Belknap Indian Community	
Little Shell Chippewa Tribe	
Northern Cheyenne Tribe	
North Dakota	**5**
Spirit Lake Sioux Tribe	
Standing Rock Sioux Tribe	
Three Affiliated Tribes of Fort Berthold	
Trenton Indian Service Area	
Turtle Mountain Band of Chippewa	
Oregon	**9**
Burns Paiute Tribe	
Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians	
Confederated Tribes of the Grand Ronde Community of Oregon	
Confederated Tribes of the Siletz Indians	
Confederated Tribes of the Umatilla Indian Reservation	
Confederated Tribes of the Warm Springs Reservation of Oregon	

Coquille Indian Tribe	
Cow Creek Band of Umpqua Tribe of Indians	
Klamath Tribes	
South Dakota	**8**
Cheyenne River Sioux Tribe	
Crow Creek Sioux Tribe	
Flandreau Santee Sioux Tribe	
Lower Brule Sioux Tribe	
Oglala Sioux Tribe	
Rosebud Sioux Tribe	
Sisseton Wahpeton Sioux Tribe of Lake Traverse Reservation	
Yankton Sioux Tribe	
Utah	**5**
Confederated Tribes of the Goshute Reservation	
Northwestern Band of the Shoshone Nation	
Paiute Indian Tribe of Utah	
Skull Valley Band of Goshute Indians	
Ute Indian Tribe of the Uintah & Ouray Res	
Washington	**29**
Confederated Tribes of the Chehalis Reservation	
Confederated Tribes of the Colville Reservation	
Confederated Tribes and Bands of the Yakama Nation	
Cowlitz Indian Tribe	
Hoh Indian Tribe	
Jamestown S'Klallam Tribe of Indians	
Kalispel Tribe of Indians	
Lower Elwha Klallam Tribe	
Lummi Nation	
Makah Tribe	
Muckleshoot Indian Tribe	
Nisqually Indian Tribe	
Nooksack Indian Tribe	
Port Gamble S'Klallam Tribe	
Puyallup Tribe of Indians	
Quileute Tribe of the Quileute Reservation	
Quinault Indian Nation	
Samish Indian Nation	
Sauk-Suiattle Indian Tribe	
Shoalwater Bay Indian Tribe	
Skokomish Indian Tribe	
Snoqualmie Indian Tribe	
Spokane Tribe of Indians	
Squaxin Island Tribe	
Stillaguamish Tribe of Indians	
Suquamish Tribe	
Swinomish Indian Tribal Community	
Tulalip Tribes of Washington	
Upper Skagit Indian Tribe	

Wyoming	2
Eastern Shoshone Tribe	
Northern Arapaho Tribe	

Appendix 3
Native Population[61]

	Native Population	State Population	% of State Population that is Native
Alaska	109,992	733,583	14.99 %
Hawaii	147,544	1,440,196	10.24 %
Idaho	28,146	1,939,033	1.45 %
Iowa	20,381	3,200,517	0.64 %
Minnesota	57,241	5,717,184	1.00 %
Missouri	24,610	6,177,957	0.40 %
Montana	61,869	1,122,867	5.51 %
North Dakota	37,203	779,261	4.77 %
Oregon	68,871	4,240,137	1.62 %
South Dakota	69,277	909,824	7.61 %
Utah	71,774	3,380,800	2.12 %
Washington	153,393	7,785,786	1.97 %
Wyoming	11,967	581,381	2.06 %
American Samoa	—	49,710	— %
Guam	—	153,836	— %
Northern Mariana Islands	—	47,329	— %
TOTAL	862,268	38,259,401	2.25 %

[61] U.S. Census Bureau; 2022 ACS 1-Year Estimates Data Profiles; Native includes American Indian, Alaska Native, Native Hawaiian and Other Pacific Islander. Total population information is available for the US Territories of Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands but demographic information is not.

Appendix 4
Native CDFIs[62]

Native CDFIs	
Alaska	**4**
Alaska Growth Capital BIDCO, Inc.	
Cook Inlet Lending Center, Inc.	
Haa Yakaawu Financial Corporation	
Spruce Root, Inc.	
Hawaii	**7**
Council for Native Hawaiian Advancement	
Hawaii Central Federal Credit Union	
Hawaii Community Lending Inc	
HAWAII FIRST FCU	
Kauai Government Employees Federal Credit Union	
Lei Hoolaha	
Molokai Community Federal Credit Union	
Idaho	**1**
Nimiipuu Community Development Fund	
Iowa	**0**
Minnesota	**3**
Indian Land Capital Company LLC	
Mni Sota Fund	
White Earth Investment Initiative	
Missouri	**0**
Montana	**4**
Montana Homeownership Network	
NACDC Financial Services Inc.	
Native American Development Corporation	
Peoples Partners for Community Development	
North Dakota	**0**
Oregon	**1**
Affiliated Tribes of Northwest Indians Financial Services	

[62] US Department of the Treasury CDFI Certification, as of March 15, 2024

South Dakota	**7**
Akiptan, Inc.	
Black Hills Community Loan Fund, Inc.	
Four Bands Community Fund, Inc.	
Lakota Federal Credit Union	
Lakota Fund, Inc., The	
Mazaska Owecaso Otipi Financial, Inc	
Sisseton Wahpeton Federal Credit Union	
Utah	**0**
Washington	**3**
Northwest Native Development Fund	
Pacific Northwest Tribal Lending, a Community	
Taala Fund	
Wyoming	**1**
Wind River Development Fund	
American Samoa	**0**
Guam	**0**
Northern Mariana Islands	**0**

Appendix 5

Tribally Designated Housing Entities[63]

Alaska	**15**
Aleutian Housing Authority	
Association of Village Council Presidents Regional Housing Authority	
Baranof Island Housing Authority	
Bering Straits Regional Housing Authority	
Bristol Bay Housing Authority	
Cook Inlet Housing Authority	
Copper River Basin Regional Housing Authority	
Interior Regional Housing Authority	
Kenaitze Salamatof TDHE	
Kodiak Island Housing Authority	
Metlakatla Housing Authority	
North Pacific Rim Housing Authority	
Northwest Inupiat Housing Authority	
Tagiugmiullu Nunamiullu Housing Authority	
Tlingit-Haida Regional Housing Authority	
Hawaii	**0**
Idaho	**3**
Coeur d'Alene Tribal Housing Authority	
Nez Perce Tribal Housing Authority	
Fort Hall Housing Authority	
Iowa	**0**
Minnesota	**7**
Grand Portage Housing Authority	
Leech Lake Housing Authority	
Lower Sioux Indian Housing Authority	
Mille Lacs Reservation Housing Authority	
Red Lake Reservation Housing Authority	
Upper Sioux Community of Minnesota Housing Department	
White Earth Reservation Housing Authority	
Missouri	**0**
Montana	**7**
Apsaalooke Nation Housing Authority	
Fort Peck Housing Authority	
Blackfeet Housing Authority	
Chippewa Cree Housing Authority	
Salish & Kootenai Housing Authority	
Fort Belknap Housing Authority	
Northern Cheyenne Tribal Housing Authority	
North Dakota	**5**
Spirit Lake Housing Corporation	
Standing Rock Housing Authority	
Fort Berthold Housing Authority	
Trenton Indian Housing Authority	
Turtle Mountain Housing Authority	

[63] National Directory of Tribes and TDHEs by ONAP Regions

Oregon	**2**
Warm Springs Housing Authority	
Coquille Indian Housing Authority	
South Dakota	**7**
Cheyenne River Housing Authority	
Crow Creek Housing Authority	
Lower Brule Housing Authority	
Oglala Sioux (Lakota) Housing Authority	
Sicangu Wicoti Awayankapi Corporation (SWA)	
Sisseton Wahpeton Housing Authority	
Yankton Sioux Tribal Housing Authority	
Utah	**3**
Goshute Housing Authority	
Utah Paiute Tribe Housing Authority	
Ute Indian Tribally Designated Housing Entity	
Washington	**11**
Chehalis Tribal Housing Authority	
Colville Indian Housing Authority	
Lower Elwha Housing Authority	
Lummi Nation Housing Authority	
Muckleshoot Housing Authority	
Port Gamble S'Klallam Housing Authority	
Quileute Housing Authority	
Quinault Housing Authority	
Spokane Indian Housing Authority	
Swinomish Housing Authority	
Yakama Nation Housing Authority	
Wyoming	**2**
Eastern Shoshone Housing Authority	
Northern Arapaho Housing Authority	