

CommunityFirst

FEDERAL HOME LOAN BANK OF CHICAGO • COMMUNITY INVESTMENT NEWSLETTER • FALL 2009

In This Issue

3**FHLBC Members Reduce Their Borrowing Costs****4****2009 AHP Awards: A Place to Call Home****5****Rural Development Award of Excellence Goes to AHP Recipient**

Celebrating the Power of Partnerships

This year, the arrival of autumn ushered in a season of award announcements from the Federal Home Loan Bank of Chicago.

First, in September, the FHLBC awarded almost \$8 million to help finance 2,150 housing units located primarily in Illinois and Wisconsin through its Competitive Affordable Housing Program (AHP). Non-profit groups, for-profit developers, and public entities teamed up with one of the FHLBC's 800 members to apply for these awards. To see the full list of 2009 AHP awards, please click here.

Then in October, the Community Investment Group was pleased to receive more than two dozen nominations for the FHLBC's first annual Community First Partnership Award. The award was designed specifically to recognize outstanding partnerships between FHLBC members and community organizations that have successfully implemented a program or completed a project we believe will have a long-term impact on those communities. The following five partnerships are the winners:

Illinois

Member: Park National Bank*

Partner: Bethel New Life, Chicago, Illinois

Project: Community Savings Center

Member: MidCountry Bank

Partner and Project: Rebuilding Together Metropolis Inc., Metropolis, Illinois

Member: The Farmers State Bank and Trust Company

Partner: Jacksonville Main Street, Jacksonville, Illinois

Project: New Life Project

Wisconsin

Member: Johnson Bank

Partner: Impact Seven, Almena, Wisconsin

Project: Park Falls Revitalization Project

Member: Calumet County Bank

Partner and Project: Brillion Nature Center, Brillion, Wisconsin

*U.S. Bank has since assumed all of the deposits and purchased most of the assets of Park National Bank.

Continued on page 2

The mission of the Bank is to deliver value to our members, and promote and support their growth and success, by providing:

- Highly reliable liquidity;
- Secured advances, wholesale mortgage financing, and other products and services to meet members' needs; and
- Direct financial support for members' affordable housing and community investment programs.

This newsletter contains forward-looking statements which are based upon our current expectations and speak only as of the date hereof. These statements may use forward-looking terms, such as "anticipates," "believes," "expects," "could," "plans," "estimates," "may," "should," "will" or their negatives or other variations on these terms. The Bank cautions that, by their nature, forward-looking statements involve risk or uncertainty, that actual results could differ materially from those expressed or implied in these forward-looking statements, and that actual events could affect the extent to which a particular objective, projection, estimate, or prediction is realized. These forward-looking statements involve risks and uncertainties including, but not limited to, the risk factors set forth in our periodic filings with the Securities and Exchange Commission, which are available on our website at www.fhlbc.com. The Bank assumes no obligation to update any forward-looking statements made in this newsletter.

Celebrating the Power of Partnerships

Continued from page 1

We applaud the accomplishments of these partnerships and the dedication of those individuals who work together to fulfill their goals and objectives. The FHLBC shares this commitment to the growth and revitalization of each community and believes the above projects are replicable in other communities. A future issue of *Community First* will feature stories on each project.



We want to help you improve your communities, especially now when the need for affordable housing and support for small businesses is so clear. In addition to the awards that will benefit the neighborhoods you serve, the FHLBC also provides members affordable housing grants, discounted Community Invest-

ment Cash Advances (“CICA”) and letters of credit. We hope you will view the FHLBC as a vital partner in achieving your community economic development and affordable housing goals by taking advantage of these products as you seek to fulfill your organization’s important mission.

Matt Feldman
President
and CEO

Eldridge Edgecombe
Community
Investment Officer

P.S. This fall issue marks the one-year anniversary of the *Community First* newsletter. Thank you to all our members and their community partners who have contributed to its success.

Share Your Success Story!

The FHLBC wants to highlight more success stories in our newsletters (including *Community First*) and on our website at www.fhlbc.com. If you have used one of our community investment products or programs recently and would like your success story to be considered for publication, email the newsletter editor Melissa Warden at mwarden@fhlbc.com. Please include a brief description of your project and attach a photo if available.

FHLBC Members Reduce Their Borrowing Costs

Loans made by Federal Home Loan Bank of Chicago members to businesses in any of the counties listed below qualify for the FHLBC's reduced Community Investment Cash Advance (CICA) rate.

How? Each census tract in these counties meets the geographic test for financing community economic development projects, such as small businesses and commercial, agriculture, and infrastructure projects (non-housing projects).

The CICA rate is priced at the FHLBC's cost of funds, permitting members to offer more competitive pricing to their customers. A member has 90 days after making an economic development loan to an area

business to take advantage of the CICA program.

Qualifying Counties

All census tracts in the counties below meet CICA's geographic test; there is no need to look up a street address! If a particular county is not listed below, it may still be eligible for the CICA rate. Contact the Community Investment Group at 312-565-5745 for more information. (Please note: This information is based on census data, which is updated annually.) Members evaluating their borrowing options should consider a CICA advance to fund loans to businesses located in one of the following counties:

Illinois Counties

Alexander	Gallatin	Moultrie
Bond	Greene	Perry
Brown	Hamilton	Piatt
Calhoun	Hancock	Pike
Carroll	Hardin	Pope
Cass	Henderson	Pulaski
Clark	Iroquois	Putnam
Clay	Jasper	Schuyler
Clinton	Jersey	Scott
Crawford	Johnson	Shelby
Cumberland	Lawrence	Stark
De Witt	Lee	Union
Douglas	Livingston	Warren
Edgar	Logan	Washington
Edwards	Macoupin	Wayne
Effingham	Marshall	White
Fayette	Mason	
Ford	Menard	

Wisconsin Counties

Ashland	Green Lake	Pepin
Barron	Iowa	Pierce
Bayfield	Iron	Price
Buffalo	Jackson	Richland
Burnett	Juneau	Rusk
Clark	Kewaunee	Sauk
Crawford	Lafayette	Taylor
Door	Langlade	Trempealeau
Dunn	Lincoln	Vilas
Florence	Marquette	Walworth
Forest	Menominee	Washburn
Green	Oconto	

To Apply

Members will complete a brief application one or two days prior to drawing an advance. The application is located on the Bank's website; [click here](#).

Get More Out of Your Membership

FHLBC member financial institutions can learn other ways to qualify for the CICA rate for community economic development projects by attending a free Internet-based webinar on December 8 at 2 p.m. For webinar details, [click here](#).

In addition, the FHLBC will be holding a separate webinar on December 10 at 2 p.m. on how to take advantage of the CICA program using housing lending activity.

2009 AHP Awards: A Place to Call Home

When the president of Home Savings Bank in Madison, Wisconsin, says, “We’re a local community bank,” he means it. The bank – and its Competitive Affordable Housing Program (AHP) sponsor – didn’t need to look far for each other when applying for an AHP grant from the Federal Home Loan Bank of Chicago this year. The bank and the YWCA are located just a few blocks from each other on Madison’s capitol square. “We’re neighbors,” says Jim Bradley, Home Savings Bank’s President, of its project sponsor.

The \$300,000 AHP subsidy that FHLBC member Home Savings Bank is providing to the YWCA will help rehab the 111-unit, 12-story brick building. Formerly the Belmont Hotel, a Madison landmark built in the 1920s, the YWCA provides housing for low-income women and their children. “The grant will help make this a safer and more secure building,” says Debra Schwabe, the YWCA’s Development Director, citing plans for new wiring, lighting, plumbing, and windows. “One hundred and fifty residents call this building home. It will really make a difference in their lives.”

Jim is proud of the work his neighbor is doing in Madison. “The YWCA provides excellent services to both the YWCA’s residents and other women in the community,” he says. “The AHP award is a great way to support their important efforts.”

Nearly \$8 Million Awarded for Affordable Housing

The Home Savings Bank/YWCA subsidy is one of 47 grants the FHLBC made this year through its AHP. In total, the FHLBC awarded nearly \$8 million to help finance 2,150 housing units located primarily in Illinois and Wisconsin. Member financial institutions typically partner with project sponsors – community-based organizations, public entities, and for-profit developers – to apply for program funds. For a complete list of the 2009 AHP awards, visit the FHLBC website at www.fhlbc.com or click here.

Former Convent Will House 23 People

Equally important are small-scale projects. Bettendorf Place in Chicago will also help a population with special needs: 23 men and women with HIV/AIDS, who may also be homeless. Because new drug therapies are allowing people diagnosed with this disease to live longer lives with better health, the need for permanent housing for this population is increasing.

FHLBC member bank Harris N.A. will provide a \$156,000 AHP subsidy to Alexian Brothers Bonaventure House to acquire and completely renovate a former convent on the southeast side of Chicago into affordable rental apartments.

“This grant is one of the larger



Source: ISTHMUS Architecture, Inc.

An artist's view of the YWCA Madison's entrance after rehabilitation.

sources of funding we have outside of the federal government. It really helps make this [project] possible,” says Marty Hansen, Director of Programs and Services for Alexian Brothers Bonaventure House.

Ailisa Herrera, Vice President of Community Development at Harris, says every dollar counts when working on an affordable housing project. “For us, the AHP grant is another realm of financing available to our customers. If we can help them get cheaper debt, we want to be part of that,” she says.

“I feel good about the people who are helped through this project,” Ailisa continues.

Bettendorf Place will serve a group of individuals who might not otherwise have an affordable, clean, and well-maintained place to live, she says.

For a complete list of the 2009 AHP awards, visit the FHLBC website at www.fhlbc.com or click here.

Rural Development Award of Excellence Goes to AHP Recipient

Two years after the Housing Authority of Trempealeau County, Wisconsin, was awarded a grant through the Federal Home Loan Bank of Chicago's Affordable Housing Program, it was honored with the USDA Rural Development's Award of Excellence for the work it did.

FHLBC member John O. Melby & Co. Bank in Whitehall, Wisconsin, provided a \$420,000 AHP subsidy to Housing Authority of Trempealeau County in 2008 for the rehabilitation of three buildings for the elderly. One of those buildings – Brookside Apartments – was recognized by USDA Rural Development this September.

“Brookside Apartments provides both individuals and families safe, affordable housing. A comfortable, dependable place to call home is an important building block in the growth and development of sustainable communities,” said Stan Gruszynski, USDA Rural Development State Director, at the award ceremony in Whitehall, Wisconsin. “USDA Rural Development is honored to present them with this award.”

In addition to the AHP award and other funding sources,



Stan Gruszynski (left, holding plaque), USDA Rural Development Wisconsin State Director, presents the Award of Excellence to Ron Myskewitz, Housing Authority of Trempealeau County Board of Directors Chairman, along with the rest of the Board of Directors at Brookside Apartments on September 30.



Brookside Apartments in Whitehall, Wisconsin

Brookside Apartments received USDA Rural Development Revitalization Financing to complete the renovation, which included installing a washer and dryer, new windows, and better insulation in

each of the 20 units

More information on USDA Rural Development programs is available by visiting the website www.rurdev.usda.gov/wi or www.rurdev.usda.gov/il.

Federal Home Loan Bank of Chicago

200 East Randolph Drive
Chicago, IL 60601
www.fhlbc.com

Copyright © 2009, Federal Home Loan Bank of Chicago. “Downpayment Plus” and “DPP” are registered trademarks of the Federal Home Loan Bank of Chicago.
Tree image © 2009 Jupiterimages Corporation.