

2006

Report of Affordable Housing and Community Investment Initiatives

Navigating the Funding Process

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Part 1

This section of our report is your resource for learning more about the community investment programs we offer--what they are, and how to access and use them. It includes a glossary of frequently used terms that apply.



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What types of affordable housing programs does the Seattle Bank offer?

The Seattle Bank offers Affordable Housing Program (AHP) grants and subsidized advances that support the acquisition, creation, and rehabilitation of affordable rental and owner-occupied housing for households earning up to 80 percent of area median income (AMI). Our Home\$tart Program grants provide downpayment assistance to first-time homebuyers earning up to 80 percent of AMI, and our Community Investment Program (CIP) provides reduced-rate, intermediate- and long-term advances to finance affordable housing for households earning up to 115 percent of AMI.

What is involved in the AHP application process?

The Seattle Bank conducts one or two funding rounds each year. AHP applications must be submitted online by a due date specified in the AHP Implementation Plan. Typically, the project sponsor completes the application, and submits it to the member for review. Members are required to underwrite the application to the standard they would use if providing a loan to the project. If the application meets their underwriting standard, they may submit it to the Seattle Bank. After the application deadline has passed, the applications are scored, and the project awards are announced.

Who can apply for an AHP award?

Members of the Seattle Bank may apply for an AHP award. Members work with their project sponsors—organizations with ownership interest or integral involvement in the project—to submit an application. Sponsors are typically nonprofit entities, including 501(c) 3 organizations, regional and local housing authorities, Native American Tribes, Alaskan Native Villages, the government entity for Native Hawaiian Homelands, state housing agencies, and state or political subdivisions of a state. For-profit entities have also partnered with our members to submit successful AHP applications.

What types of community economic development programs does the Seattle Bank offer?

The Seattle Bank offers reduced-rate, long-term advances to finance a wide range of community economic development initiatives. Our Community Investment Program (CIP) and Economic Development Fund (EDF) can be used to finance small business advances, as well as residential, commercial, industrial, manufacturing, social service, public facility, and public and private infrastructure projects.

What advantages do the Seattle Bank’s Community Investment Programs offer Seattle Bank members?

In addition to helping our members fulfill their CRA obligations, our community investment programs offer a wide array of potential benefits—from deposit growth to increasing mortgage volumes and, of course, creating community goodwill.

How are AHP award amounts determined?

The AHP is funded with 10 percent of the Seattle Bank's annual net income, so the total amount of funding available varies from year to year. Individual project awards also vary, based on annual funding availability and project size and need.

How are AHP applications evaluated?

The Seattle Bank's Community Investment team scores all AHP applications and reviews the financial feasibility of potential projects. The framework for the scoring criteria is largely determined by AHP regulation defined by the Federal Housing Finance Board, and feasibility benchmarks recommended by the Affordable Housing Advisory Council and approved by the Board of Directors. The Board of Directors also reviews and approves all AHP applications. The highest scoring projects are awarded AHP awards; four alternate projects may be funded if sufficient AHP subsidy is returned to the Seattle Bank before the next funding round.

What are the members' and sponsors' responsibilities after an AHP award has been approved?

After the award is approved, but before any funding can be disbursed, member and sponsor representatives responsible for the project must attend a Web seminar regarding project compliance and monitoring. Further, they must complete the project as it was described in the AHP application and meet the monitoring and compliance responsibilities outlined in the AHP Regulatory Agreement.

How can a Seattle Bank member become involved with the Home\$tart Program?

To participate in Home\$tart, Seattle Bank members must complete and submit a one-time application for the Home\$tart and Home\$tart Plus programs. After the application is approved, the member will receive an annual Home\$tart Regulatory Agreement, which they must sign and return to the Seattle Bank before they can begin enrolling homebuyers in the program. Members may submit an application at any time.

How are Home\$tart Program funds allocated to Seattle Bank member institutions?

The Seattle Bank provides an equal allocation of funds to participating member institutions on April 1 of each year. Participating members may exceed their allocation, as additional program funds become available. Members that have never participated in the program, or have not participated for several years, are also eligible to participate in Home\$tart as these additional funds become available. Prospective homebuyers may apply for grants through a member institution at any time.

How does a Seattle Bank member apply for a CIP/EDF advance?

The CIP/EDF application process is quick and easy. Seattle Bank members simply download the CIP/EDF application from the bank's Web site, then complete and submit the form to our Community Investment Department. After the application has been reviewed to determine eligibility, it is sent to our Member Services team for processing. Generally, the entire process requires only a few business days.

Product Matrix

Program

Purpose

Funding Type / Use



To acquire, develop, and/or rehabilitate affordable rental or owner-occupied housing for households earning up to 80 percent of area median income.

Grant and subsidized advance program. Funds may be used to:

- Provide gap financing
- Reduce mortgage principal
- Fund rehabilitation and new construction
- Cover downpayment and closing costs
- Lower the interest rate on a loan
- Preserve affordable housing



To provide financial assistance to first-time homebuyers earning up to 80 percent of area median income.

Matching grant program. Funds may be used to:

- Cover downpayment and closing costs
- Fund rehabilitation



To provide financial assistance to first-time homebuyers receiving public housing assistance, including tribally designated housing authorities.

Matching grant program. Funds may be used to:

- Cover downpayment and closing costs
- Fund rehabilitation



To finance affordable housing for households earning up to 115 percent of area median income or to finance economic development in CIP-qualified areas.

Reduced-rate, intermediate and long-term advances that may be used to finance:

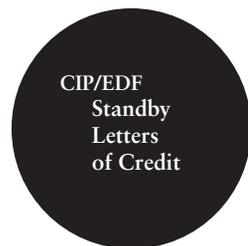
- Owner-occupied or rental housing, including manufactured homes
- Low-income housing tax credits
- Mortgage revenue bonds, mortgage-backed securities, lender consortia, or a secondary market for mortgage loans if all the underlying loans are CIP-eligible
- Economic development



To finance economic development activities benefiting households or neighborhoods of up to 100 percent of area median income in urban areas and 115 percent in rural areas or in EDF-qualified areas.

Reduced-rate, intermediate and long-term advances that may be used to finance:

- Commercial, industrial, manufacturing, social service, public facility, and public and private infrastructure projects
- Small business loans
- Projects that create or sustain jobs
- Lender consortia if the underlying loans are EDF-eligible



To provide members an efficient and low-cost way to utilize the Seattle Bank's credit rating to guarantee contractual agreements with third parties for CIP/EDF-eligible projects.

Funding guarantees to support affordable housing or economic development initiatives, including related interest-rate swaps

Amount Available**Application / Funding Process****Key Requirements**

AHP is funded with 10 percent of the Seattle Bank's annual net income. Project awards vary, based on annual funding availability and project size and need.

The Seattle Bank conducts competitive funding rounds once or twice a year.

Members must underwrite the projects they submit. Projects must meet eligibility, feasibility, retention, monitoring, and compliance requirements. At least 20 percent of units in rental projects must be affordable to households at or below 50 percent of area median income. Funds must be partially drawn within one year and completely used within three years of approval.

Based on availability of funding, participating members may receive up to \$200,000 annually in Home\$start and Home\$start Plus funds. Homebuyers are offered \$3 for every \$1 they contribute, up to \$5,000.

The Seattle Bank allocates funds equally to participating member institutions on an annual basis. Prospective homebuyers may apply for grants through a member institution at any time. Additional funds are made available on a first-come, first-served basis.

Members must ensure that all regulatory requirements are met. Households must complete an approved homebuyer education course, qualify for a mortgage, and demonstrate matching funds. Grants must be used for the purchase or rehabilitation of a primary residence within one year of homebuyer enrollment.

Based on availability of funding, participating members may receive up to \$200,000 annually in Home\$start and Home\$start Plus funds. Homebuyers are offered \$2 for every \$1 they contribute, up to \$10,000.

The Seattle Bank allocates funds equally to participating member institutions on an annual basis. Prospective homebuyers may apply for grants through a member institution at any time. Additional funds are made available on a first-come, first-served basis.

Members must ensure that all regulatory requirements are met. Households must complete an approved homebuyer education course, qualify for a mortgage, and demonstrate matching funds. Grants must be used for the purchase or rehabilitation of a primary residence within one year of homebuyer enrollment.

\$1 billion cap on outstanding CIP/EDF advances. Advance terms range from three to 30 years. Rate locks are available for up to two years at a cost of 24 basis points per year.

Funding is available through a noncompetitive application process. Member institutions may apply at any time.

Loan to be funded may not be originated more than three months before the CIP advance is approved. The amount and term of the CIP advance may not exceed the amount and term required for the loan to be funded. Advances are subject to the member's Seattle Bank credit limit and standard collateral requirements. Prepayment fees apply.

\$1 billion cap on outstanding CIP/EDF advances. Advance terms range from three to 30 years. Rate locks are available for up to two years at a cost of 24 basis points per year.

Funding is available through a noncompetitive application process. Member institutions may apply at any time.

Loan to be funded may not have been originated more than three months before the EDF advance is approved. The amount and term of the EDF advance may not exceed the amount and term required for the loan to be funded. Advances are subject to the member's Seattle Bank credit limit and standard collateral requirements. Prepayment fees apply.

Five-basis-point discount for CIP/EDF-eligible projects. May be issued for up to 20 years.

Standby LOCs are available through a noncompetitive application process. Member institutions may apply at any time.

Members must document that the Standby LOC supports an affordable housing or economic development initiative that is CIP/EDF eligible. Standby LOCs are subject to the member's Seattle Bank credit limit and standard collateral requirements.

Glossary of

Affordable Housing

Owner-occupied or rental housing that is affordable to households with incomes at or below 80 percent of area median income, adjusted for family size. In the case of affordable rental housing, rents may not exceed 30 percent of a household's income.

Affordable Housing Advisory Council

A Seattle Bank advisory group whose members reside in the Twelfth District and represent community and not-for-profit organizations that actively provide or promote low- and moderate-income housing or community lending. The Advisory Council advises the Board of Directors on ways the Seattle Bank can best carry out its housing finance and community lending mission.

AHP Implementation Plan

A document that defines the requirements of the Seattle Bank's Affordable Housing Program (AHP) and Home\$tart Program, including requirements for monitoring and compliance of approved projects. The plan is reviewed at least annually by the Affordable Housing Advisory Council and approved by the Seattle Bank's Board of Directors.

AHP Project Sponsor

An organization with ownership interest in an AHP rental project or integral involvement in an AHP owner-occupied project. Sponsors of rental projects must own at least 50 percent of the project throughout the monitoring period or, if using tax credits, satisfy the ownership requirements of the applicable program. Sponsors of owner-occupied projects must control planning, development, or management of the project, or qualify borrowers and provide or arrange financing.

AHP Regulatory Agreement

A tri-party agreement among the Seattle Bank, a member institution, and an AHP project sponsor. The agreement defines the project's compliance and monitoring responsibilities and must be executed prior to disbursement of AHP funds.

Area Median Income (AMI)

Median household income within a particular county, Metropolitan Statistical Area (MSA), or Primary Metropolitan Statistical Area (PMSA). The Seattle Bank typically uses applicable HUD median income guidelines, adjusted for family size.

CIP/EDF-Qualified Area

A rural or urban Champion, Empowerment, or Enterprise Community; an Indian Area as defined by NAHASDA; an Alaskan Native Village; a Native Hawaiian Homeland; a Brownfield Tax Credit Area; a military base closing area; a State or Federal Disaster Area.

District Priority

AHP scoring criteria that address priorities identified within the Seattle Bank's district. AHP Regulation allows two district priorities and provides a list of 12 options from which the Seattle Bank may choose its First District Priority. The bank may define its Second District Priority or choose from one of the 12 options available for the First District Priority.

Economic Development

Commercial, industrial, manufacturing, social service, public facility, or public or private infrastructure projects benefiting households or neighborhoods of targeted income levels. Economic development also includes financing of small business loans, the purchase of mortgage-revenue bonds or mortgage-backed securities, and investments in low-income housing tax credits and lender consortia.

Terms

Farmworker Housing

Projects that house seasonal and/or migrant farmworkers.

First-Time Homebuyer

An individual and/or his or her spouse or domestic partner who have not owned a home during the three years prior to their purchase of a home with AHP or Home\$start Program assistance. Displaced homemakers and single parents may be excluded from this requirement.

Homebuyer Education

Educational programs providing potential homebuyers with the information they need to successfully purchase and own a home. Home\$start Program applicants must successfully complete a homebuyer education program that meets Home\$start Program requirements.

Homeless Household

A household of one or more individuals, other than those detained pursuant to state or federal law, who lack a fixed, regular, and adequate nighttime residence or who have a primary nighttime residence that is a supervised shelter designed to provide temporary living accommodations, including a residence for individuals intended to be institutionalized or not ordinarily used as a regular sleeping accommodation.

Home\$start Regulatory Agreement

An agreement between the Seattle Bank and a member institution. The agreement defines the member's compliance and monitoring responsibilities and must be completed prior to enrollment of eligible homebuyers under the Home\$start Program.

Low- or Moderate-Income Household

A household earning 80 percent or less of area median income, adjusted for family size.

Low-Income Housing Tax Credit (LIHTC)

A federal government program that allows investments in low-income housing in exchange for 10 years of tax credits. The Internal Revenue Service issues an annual allocation of tax credit authority to State Housing Finance Agencies, which, in turn, award tax credits to developers for acquisition, development, or rehabilitation of affordable rental housing. The developers offer the credits to investors, who obtain a dollar-for-dollar reduction in their federal tax liability.

Member Certification

A member institution's acknowledgment of its responsibility to comply with the terms of the program throughout the retention period.

Member/Member Institution

A financial institution that is a member of the Seattle Bank.

Mixed-Income Housing

Housing that integrates affordable owner-occupied or rental units on a single site or subdivision, where at least 20 percent of the owner-occupied units are reserved for households with incomes above 80 percent of the area median or where 20 percent of the rental units are reserved for households with incomes above 60 percent of the area median.

Mixed-Use Housing

A project in which at least five percent of the total square footage is reserved for a non-housing and income producing tenant.

Multi-Family Housing

Owner-occupied or rental housing that includes more than four units.

Glossary of

Terms

Native Housing

Owner-occupied or rental housing on properties located in Native American Service Areas or Hawaiian Home Lands housing areas.

New Market Tax Credit (NMTC)

A federal government program that allows taxpayers to make qualified equity investments in designated Community Development Entities (CDEs) in exchange for tax credits. The CDE must invest substantially all of the qualified equity investment in low-income communities. The investor's tax credit equals 39 percent of the cost of the investment and is claimed over a seven-year credit-allowance period.

Retention Requirements

Requirement that a project's units be provided to and remain occupied by qualified households for the duration of the compliance period (i.e., 15 years for rental projects and five years for owner-occupied projects). Members must ensure that a recorded deed restriction or legally enforceable mechanism addressing retention requirements is in place.

Rural Area

A local government with a population of 25,000 or less, or an unincorporated area outside an MSA or an unincorporated area within an MSA that is designated rural by the United States Department of Agriculture (USDA).

Single-Family Housing

Owner-occupied or rental housing that includes one to four units.

Special Needs Housing

Housing where at least 20 percent of the units are reserved for occupancy by households with special needs, such as the elderly, mentally or physically disabled, persons recovering from physical or substance abuse, or persons with HIV/AIDS.

Transitional Housing

Housing for individuals and families that are ready to move beyond emergency shelter into a more independent living situation. Transitional housing programs typically permit occupancy of six months to two years to allow residents to develop the stability, confidence, and coping skills needed to sustain permanent housing.

Twelfth District

The geographic area served by the Seattle Bank. The Federal Home Loan Bank System is composed of 12 districts, encompassing the United States and its territories. The Twelfth District includes Alaska, Hawaii, Idaho, Montana, Oregon, Utah, Washington, Wyoming, American Samoa, Guam, and the Northern Mariana Islands.

Urban Area

A unit of local government with a population greater than 25,000 or an unincorporated area that does not qualify for housing under the USDA.

Very Low-Income Household

A household earning 50 percent or less of area median income, adjusted for family size.

Part 2

The following case studies illustrate the variety of projects and funding solutions our programs help to support. Some are rather traditional; others have relied on more creative approaches to meeting community needs. Common to all are the positive results achieved for everyone involved.





The Shepherd's Inn

**Idaho Falls,
Idaho**

The Shepherd's Inn is a residential maternity home in Idaho serving young women, ages 18 to 26, who are experiencing a crisis pregnancy. It is the only facility of its kind in the four-state area that includes Idaho, Montana, Utah, and Wyoming. In addition to room and board, this small nonprofit provides its clients with referrals for prenatal medical care and social services, adoption and post-adoption counseling, parenting and life-skills education, and the opportunity to continue with their work or education.

Founded in 1999, The Shepherd's Inn assumed the ownership and operation of a privately owned maternity home located in a turn-of-the-century residence in Roberts, Idaho. The home had been acquired for this purpose only one year earlier and still needed a number of improvements and repairs.

The largely volunteer nonprofit relied on grants, loans, and fundraising to purchase, repair, and operate the Roberts home and to support its move, in 2005, to a new residential facility in Idaho Falls.



Roberts is a small farming community located in the Snake River Plain about 20 miles northwest of Idaho Falls. The surrounding rural landscape is a gateway to Yellowstone National Park and the Teton Mountains.

An historic, 9,000-square-foot, Craftsman-style home in Roberts was home to The Shepherd's Inn for seven years.



As in many rural communities, local nonprofits rely on grassroots support from friends and neighbors to meet their operating expenses. Proceeds from local fundraisers, including breakfasts and barbeques sponsored by local fraternal organizations, account for nearly 15 percent of The Shepherd's Inn annual operating budget. A donation by a local rancher inspired the annual "Win-the-Whole-Cow" auction, which generates an average of \$6,500 a year for the nonprofit.



In 2005, The Shepherd's Inn moved to a modern ranch-style home in Idaho Falls. The newer home is less costly to maintain than the Roberts residence and is closer to the prenatal medical and social services provided to The Shepherd's Inn's clients.



Key Participants in the Funding

The Community Hospital Corporation (CHC) Foundation provided a \$50,000 grant, which The Shepherd's Inn used to reimburse the original maternity home owner for expenses and to make improvements to the property. A \$4,000 grant from Bechtel BWXT provided additional funds for capital improvements.

Bank of Idaho provided an \$86,000 loan to purchase the Roberts property, and then sponsored The Shepherd's Inn's application for an Affordable Housing Program (AHP) grant from the Seattle Bank. The Seattle Bank's \$15,000 AHP grant was used to reduce the mortgage principal. A \$35,000 grant from CHC and a matching \$35,000 grant from The Steele-Reese Foundation allowed The Shepherd's Inn to fully repay the mortgage on the Roberts house.

The proceeds from the sale of the Roberts house combined with a \$27,000 loan from Bank of Idaho enabled the purchase of the Idaho Falls residence.



Like most involved with The Shepherd's Inn, Executive Director Julie Zahn and her husband, Tom, volunteer their time to the organization. Bank of Idaho Executive Vice President and Chief Operating Officer Jeff Jones helped the Zahns with a mortgage loan and an AHP grant for the Roberts house in part because they are "caring people who are very committed to meeting a need that was not being addressed."



In addition to offering a residential program, The Shepherd's Inn manages a crisis hotline, which receives more than 100 calls each year, and offers the services of two professional counselors to nonresidential pregnant women and teens, their boyfriends, and their parents.



The Shepherd's Inn has provided a safe, secure environment for 14 pregnant young women from Idaho, Montana, Utah, and Wyoming, and from as far away as California, Georgia, and Texas.

"Our goal is that the young women we serve will have healthy babies and make the best decision possible for their futures and their babies' futures." Julie Zahn



PUBL
MARKET

A large, illuminated sign for 'PUBL MARKET' is mounted on a black metal structure. The letters are a vibrant red color and are outlined with a glowing neon light. The sign is positioned against a clear blue sky. The structure consists of a complex network of black metal beams and supports. In the background, a portion of a light-colored building with classical architectural details is visible.



LaSalle Hotel

Pike Place Market Development Authority

Seattle, Washington

The LaSalle Hotel sits in the heart of Seattle's Pike Place Market and is as old as the market itself. For nearly a century, it has shared in the market's colorful history, variously serving as a hotel, a brothel, and a residential hotel for merchant seamen. In the 1970s, the newly created Pike Place Market Preservation and Development Authority (PDA) renovated much of the public market, and the LaSalle Hotel became subsidized housing for low-income seniors.

In 2002, the PDA began planning a second market renovation, the first project centering on the LaSalle Hotel and the adjacent "Creamery" site. The project offered a unique opportunity to preserve an historic building and low-income housing, and to develop one of the last vacant properties in downtown Seattle for a mixed-use project that would add to the market's inventory of affordable senior housing and commercial space.

Design of the \$14 million project began in 2002, as the PDA worked to identify the complex mix of public and private funding needed to acquire the Creamery property and develop the LaSalle Hotel project.



The LaSalle Hotel and Pike Place Market are located in downtown Seattle, overlooking Elliott Bay, Puget Sound, and the Olympic Mountains. The central location offers easy access to a wide variety of shops and services, including public bus transportation and a soon-to-be-completed light rail transit stop. Market-rate housing in this highly desirable neighborhood is prohibitively expensive to low-income seniors like the residents of the LaSalle, whose incomes are less than 50 percent of area median.





The project involved the renovation of four interconnected buildings comprising the LaSalle, and the acquisition and development of the adjacent Creamery site. The renovation increased the number of low-income housing units, from 40 in the old LaSalle to 64 in the expanded space, and provided a larger and more accessible space for the Pike Place Senior Center. In addition, the project created 18,928 square feet of retail and restaurant space in a high-density neighborhood with extremely low commercial vacancy rates.





The Pike Place Senior Center offers downtown Seattle's low-income seniors a safe, comfortable place to socialize, enjoy a hot meal, or take classes on such topics as health and fitness, foreign language, and art. The 6,200-square-foot space, rented from the PDA at below-market rates, includes a large, open common area, a commercial kitchen, a computer center, and a crafts room. A meal program subsidized by the City of Seattle serves up 100 lunches a day.



LaSalle Hotel residents are frequent visitors at the Senior Center.



According to PDA Executive Director Carol Binder, "Part of the PDA's mission is to provide services for low-income residents, and including this space for the Senior Center is one way we help to accomplish that."

Key Participants in the Funding

The PDA purchased the Creamery property on a deferred loan from the City of Seattle, whereby a portion of the principal is forgiven each year the LaSalle provides low-income housing. Additional funding sources were largely directed to either the residential or commercial aspects of the project.

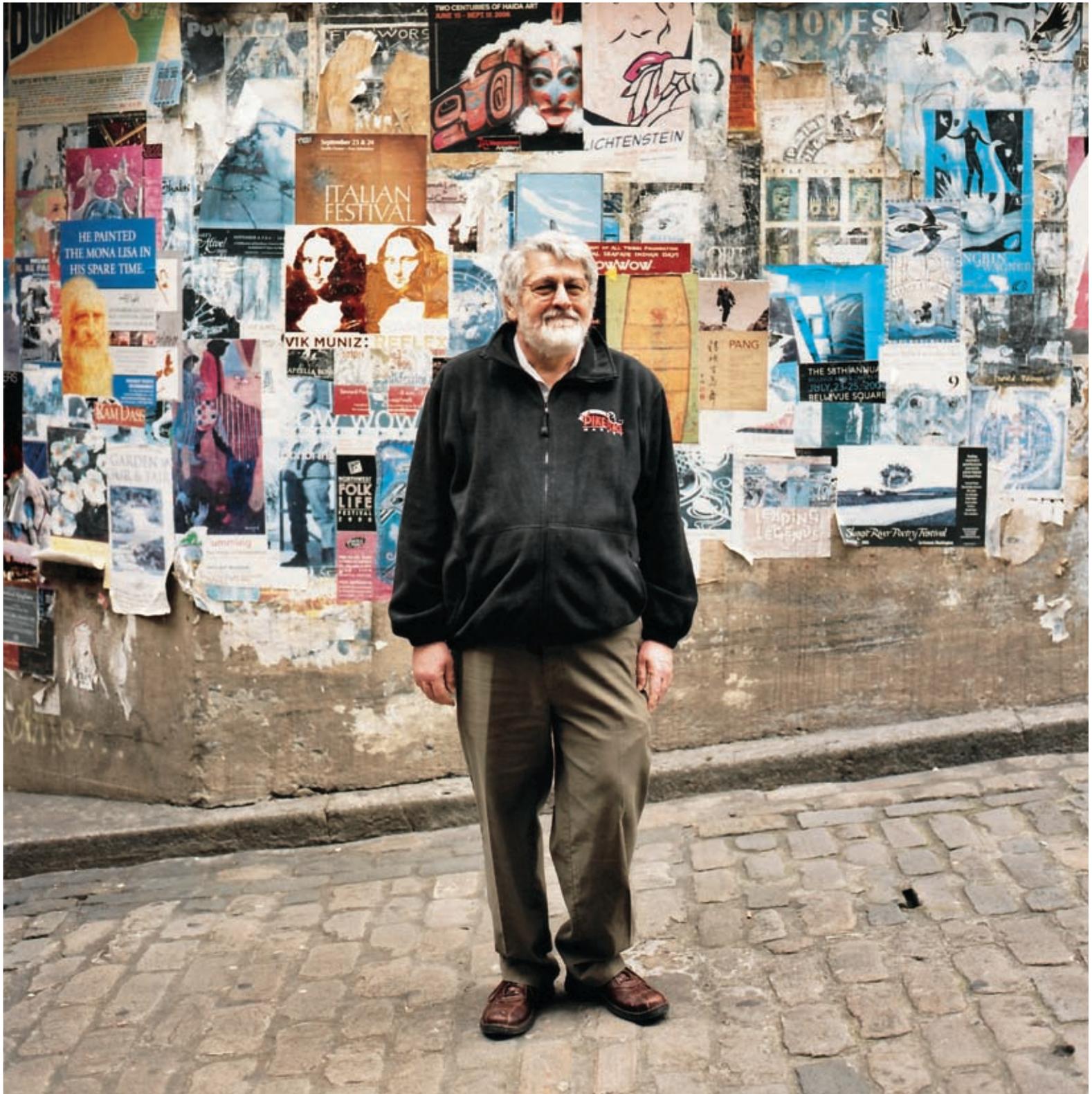
Funding for commercial uses:

- * New markets tax credit financing through Local Initiatives Support Corporation (LISC) - \$1,769,858
- * Pike Place Market Foundation capital campaign - \$970,000
- * PDA contribution - \$664,064
- * Washington State Community Services Facilities Program grant - \$310,000
- * CDBG grants for the Pike Place Market Senior Center - \$180,000

Funding for residential uses:

- * Low income housing tax credits - \$8.3 million
- * Washington State Housing Trust Fund / Seattle Housing Levy - \$839,212 each
- * AHP grant sponsored by HomeStreet Bank - \$321,954

These funds were complemented by a \$7.2 million construction loan from HomeStreet Bank. When a CDBG float loan replaced the construction loan, HomeStreet Bank used a CIP/EDF Standby Letter of Credit to mitigate the risk associated with the callable loan. Because the project met CIP/EDF criteria, the Seattle Bank's Letter of Credit was provided to HomeStreet Bank at a cost of only 15 basis points.



With its eclectic mix of farmers, merchants, craftspeople, and restaurateurs, the Pike Place Market appeals to visitors and locals alike. Bill Stalder has been a part of the market community for 25 years. As the PDA's director of operations, he is responsible for ensuring the infrastructure that supports the market's 350 residential tenants, 250 commercial tenants, 300 farmers and craftspeople--and the countless visitors who come to experience this piece of Seattle's history and culture.

"The Pike Place Market is an historic district, and the market culture is one of preservation. People want it to stay the same. The LaSalle project respects that because it has added capacity without changing the market." Carol Binder





Alaska Homeownership Initiatives

Alaska USA Federal Credit Union

Cook Inlet Housing Authority

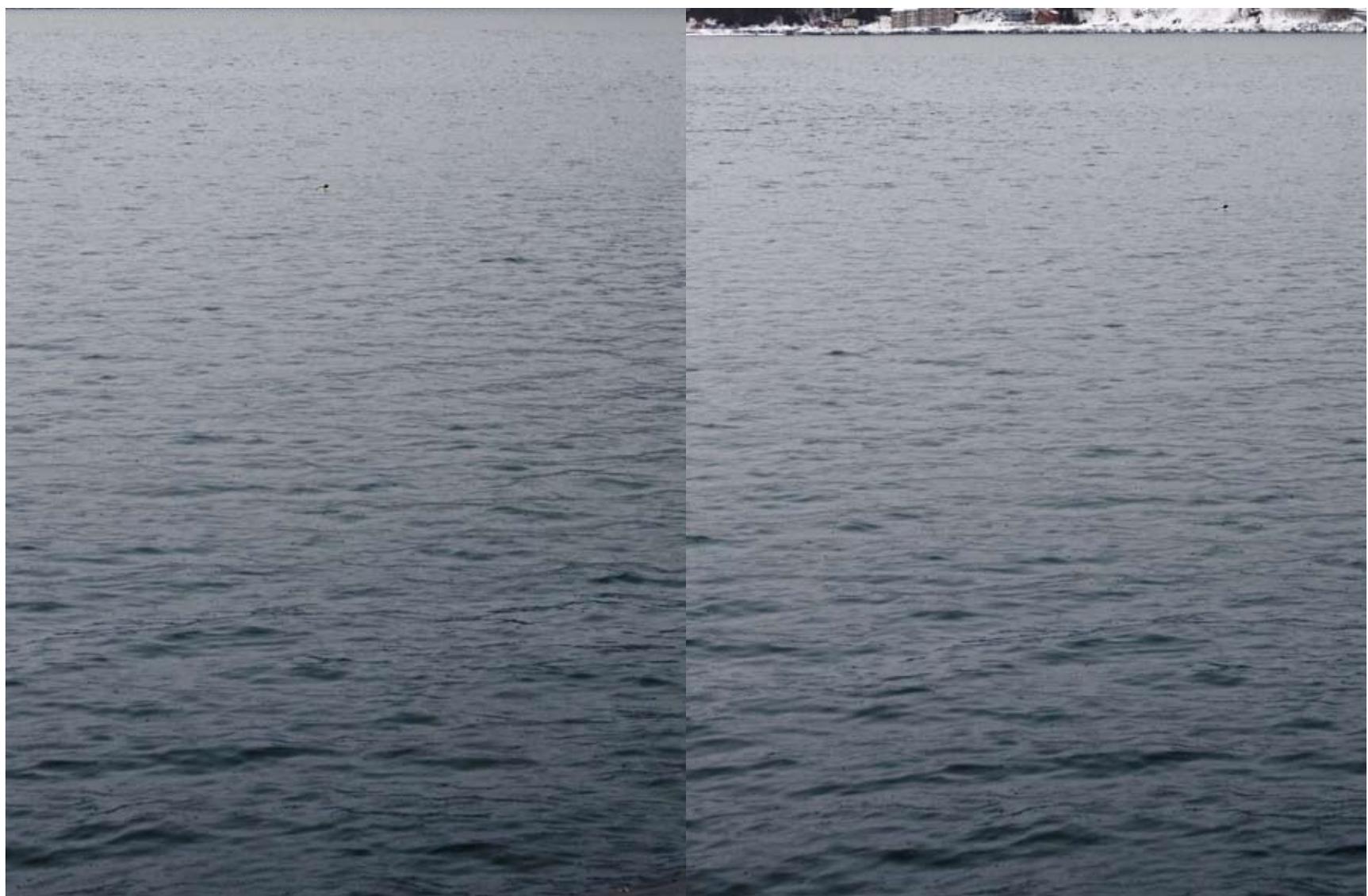
The cost of living in Alaska is greater than in much of the rest of the country. Housing costs are especially steep due in part to the region's extreme climate and remote location. Many areas, including the state capital of Juneau, are accessible only by water or air.

Alaska USA Federal Credit Union and Cook Inlet Housing Authority (CIHA) are helping many Alaskan households bridge the affordability gap to become homeowners.

Alaska USA offers a wide range of mortgages and a high degree of personalized service to create affordable homeownership opportunities for its customers. The company's mortgage loan originators work with their clients--from prequalification to closing--to create solutions that address each borrower's specific situation and needs. Since 1995, Alaska USA has distributed more than \$500,000 in Home\$tart Program funds to service more than 100 first-time homebuyers.

CIHA serves an average of 2,500 families each year through homeownership, home improvement, and rental housing programs. Its \$40 million revitalization of the Mountain View neighborhood in Anchorage has, to date, created more than 130 new, affordable homes and apartments in one of the city's oldest and most badly deteriorated areas. A \$324,000 Affordable Housing Program (AHP) grant provides downpayment assistance to 18 Mountain View homebuyers.

Their use of the Seattle Bank's community investment programs--in combination with other funding sources--helps these companies meet the affordable housing needs of Alaska's low- and moderate-income homebuyers.



DiAnn Douglass "never thought [she] could afford to buy a home in Juneau." An administrative assistant with the Division of Public Health, DiAnn had a good job and good credit, but not much money for a downpayment. When local housing prices dipped slightly in the spring of 2006, she found a \$140,000 condominium that seemed within reach--and a helpful lender to guide her through the mortgage process.

Working with Senior Mortgage Loan Originator Mac Carandang, DiAnn obtained a \$139,310 30-year mortgage with a discounted loan origination fee, and a \$5,000 Home\$tart grant from Alaska USA. The Home\$tart grant combined with a \$4,200 contribution from the seller to cover closing costs. The seller's willingness to buy down the interest rate for the first two years reduced DiAnn's monthly payment and gives her time to grow her income to support a larger mortgage payment.

When you're looking for a mortgage, you need someone who is going to believe in you, who will understand your employment and credit history, and who can help you find what you need. For me, that was Alaska USA."

DiAnn Douglass



John and Lorraine Vercessi moved to Juneau seven years ago. A former fisherman, John worked several jobs before obtaining a full-time position as a case manager at Gastineau Community Services. They lived frugally, in subsidized housing, maintaining their good credit and managing their debt. Even so, they could not have purchased a \$245,000 home without the help of Alaska USA and a bit of good luck.

To reduce the mortgage principal, Alaska USA helped the Vercessis obtain a \$36,800 interest-free loan from Housing First and a \$10,000 Home\$tart Plus grant. The company then offered the couple a 30-year, \$198,200 mortgage. When the Vercessis won the Alaska Housing Finance Corporation's lottery, they became the recipients of additional mortgage subsidy that enables Lorraine to stay home with their young daughter until she's ready to attend school.



Once characterized by older, deteriorating housing, vacant homes, and isolated undeveloped lots, the Mountain View neighborhood in Anchorage is becoming a safer, more stable, and more desirable place to live. As part of its multiyear neighborhood revitalization effort, CIHA has built 18 new, single-family homes, affordable to households earning 80 percent or less of area median income. The charming, energy-efficient homes enhance the neighborhood and provide for low maintenance by the homeowner. All include appliances, security features, fencing, and landscaping. An emphasis on quality supports pride of ownership.



Key Participants in the Funding

To "buy down" the purchase prices of the homes, Cook Inlet Lending Center, Inc., a CIHA social enterprise, offers homebuyer assistance ranging from \$58,000 to just over \$100,000 for eligible Alaska Native/American Indian households. This assistance provides each homebuyer with:

- A \$13,000 downpayment assistance grant from the Federal Home Loan Bank of Seattle's AHP, sponsored by Wells Fargo Bank
- A \$5,556 grant from Wells Fargo Bank to help with closing costs
- Low-interest secondary financing, which is in some cases deferred until the resale of the property

In addition to Wells Fargo Bank and the Federal Home Loan Bank of Seattle, CIHA received funding for the Mountain View project through the following: HUD via the Native American Housing and Self-Determination Act; Alaska Housing Finance Corporation grant, loan, and Low Income Housing Tax Credit programs; and the Rasmuson Foundation.



Unlike many revitalization projects, Mountain View's new homes are distributed throughout the neighborhood. Where possible, CIHA has acquired and demolished dilapidated buildings and cleaned up the sites to improve environmental quality and reduce urban density.



Carol Gore,
President and CEO,
Cook Inlet Housing Authority



"I grew up in Mountain View, and I remember when it was a modest, but safe, working-class community. Today, it has the lowest percentage of homeownership of any neighborhood in Anchorage. We want to build housing and help create a community that appeals to homebuyers. And in the process, we'll promote the stability that comes with homeownership. We're grateful to the Seattle Bank's Affordable Housing Program for helping us to do that." Carol Gore

Part 3

The year in review. Achievements. Challenges. We invite you to read the following message from members of our board and Advisory Council--and to review the results of our efforts to create affordable homes and improve our communities.

THE YEAR IN REVIEW

The dramatic rise in housing costs over the past several years—within our district and across the United States—has made it more difficult than ever for many to find an affordable home. In fact, “there is not a county in the country where a full-time minimum wage worker can afford even a one-bedroom apartment at the [fair market rent].” Further, in six of the eight states in the Twelfth District, more than two full-time, minimum wage jobs are needed to afford the fair market rent for a two-bedroom apartment at 30 percent of income.*

The Federal Home Loan Bank of Seattle plays a unique and vital role in meeting the affordable housing and economic development needs within our district—in part because of the variety of programs and funding solutions we offer. The Seattle Bank’s grants, low-cost loans, letters of credit, and rate locks may be used to support many different aspects of a broad range of projects.

Our Affordable Housing Program (AHP) awards, for example, may be used to acquire, develop, and/or rehabilitate affordable rental or owner-occupied housing. An AHP award may be used to reduce mortgage principal, provide gap financing, cover down-payment and closing costs, or lower the interest rate on a loan.

Our goal with this year’s report is to provide an easy-to-use reference that describes our programs and how you can apply them to meet the affordable housing and economic development needs in your communities. The case studies included illustrate the variety of ways our products have been used in combination with other funding sources—from small-dollar grassroots funding efforts to sophisticated and complex financing arrangements involving millions of dollars.

We are pleased to present this year’s report, including the results of our efforts over the past year.

AFFORDABLE HOUSING PROGRAM (AHP)

Every year, the Seattle Bank contributes 10 percent of its net income from the previous year to fund affordable housing under its AHP. Since the program’s inception in 1990, the Seattle Bank has contributed more than \$135 million to help finance 26,695 homes for low- and very low-income households.

In 2006, the Seattle Bank provided \$3.1 million in AHP awards to help create 646 units of affordable housing to support households earning 80 percent or less of area median income. The households that will benefit from this funding include first-time homebuyers, homeless individuals and families, and those affected by disabilities. The funding included \$370,000 set aside for our 2006 program and \$2.73 million in unused funds from previous years’ awards.

Our 2006 awards will be used to improve housing conditions in both urban and rural communities in Hawaii, Idaho, Oregon, Utah, and Washington. Eleven of the 19 projects funded will support homeownership, and eight will provide affordable rental housing.

AHP awards are granted through a competitive application process. The Seattle Bank received 41 applications for AHP funding in 2006. As in years past, the AHP award was the first source of funding for many of the projects receiving grants.

*Danilo Pelletiere, Keith Wardrip, Sheila Crowley. “Out of Reach 2006.” National Low Income Housing Coalition.

In 2007, the Seattle Bank's AHP will provide at least \$3 million in awards for affordable housing.

HOMESTART PROGRAM

Our Home\$tart Program provides financial assistance to first-time homebuyers earning up to 80 percent of their area's median income. Grants may be used for downpayments, closing costs, or rehabilitation of owner-occupied housing to be used as a primary residence. Since its inception in 1990, the Home\$tart Program has distributed \$32.4 million to 6,620 households.

In 2006, the Seattle Bank disbursed \$3.4 million of Home\$tart funds to help 643 first-time homebuyers purchase a home. All disbursements were made from unused funds that were returned to the program from previous years' awards.

Our Home\$tart Program continues to be very popular, with 86 Seattle Bank members participating in our 2006 program.

**COMMUNITY INVESTMENT PROGRAM (CIP) /
ECONOMIC DEVELOPMENT FUND (EDF)**

The Seattle Bank's CIP and EDF are ideal solutions for Seattle Bank members looking to create or preserve affordable housing and jobs or to support community development. Seattle Bank members can use these programs to apply for reduced-rate loans for projects that serve low- and moderate-income families and communities.

In 2006, the Seattle Bank approved \$25.4 million in low-interest loans to create 449 units of affordable housing through our CIP, and another \$16.9 million in advances for economic development through our EDF.

Since these programs began in 1989, they have been used to finance a diverse array of community development projects, including affordable homes, multi-family rental projects, new small

businesses, new roads and bridges, and sewage treatment plants. These easy-to-use programs are especially effective when used to support housing and commercial development in distressed or rural areas where financial resources are scarce.

DELIVERING VALUE TO OUR MEMBERS AND OUR COMMUNITIES

Since 1990, the Seattle Bank, our members, and community-based nonprofit organizations across our region have worked together to help develop more than 82,000 units of affordable housing and create economic development opportunities that have strengthened our local economies.

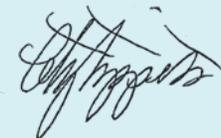
We focus on enhancing the quality of life for those in need, but the residents of the affordable housing and the wage earners who benefit from the economic development initiatives we help to fund are not the only beneficiaries. Through their use of these programs, Seattle Bank members realize a variety of benefits as well. The Seattle Bank's programs not only help them to meet their CRA obligations but also to build new relationships—and new business opportunities—with the individuals and businesses these programs help to serve.

On behalf of the Seattle Bank's Board of Directors and Affordable Housing Advisory Council, we congratulate our members and nonprofit sponsors on your efforts to meet the affordable housing needs in your communities, and we encourage your continued participation in our community investment programs.

We look forward to working with you in 2007.



Mike C. Daly
Chairman of the Board



C. Ty Tippetts
Chair, Affordable Housing Advisory Council

Hawaii

Waiehu Kou IV / Kahului – First Hawaiian Bank was awarded a \$156,000 grant that will allow Habitat for Humanity Maui to provide 12 self-help homes for Native Hawaiians earning between 30 percent and 60 percent of area median income. The Department of Hawaiian Homelands will lease the land to the project for a nominal fee.

Idaho

Home of Your Own 2 / Boise – Zions National Bank was awarded a \$50,000 grant that will allow Opening Doors, Inc. to help 10 first-time homebuyers with disabilities purchase a home. Qualifying homebuyers will have incomes between 30 percent and 60 percent of the area median, and many will receive Section 8 homeownership vouchers for assistance with mortgage payments. Homes will be purchased in Ada, Adams, Boise, Canyon, Elmore, Gem, Payette, Valley, and Washington counties.

Montrose Seniors / Post Falls – Mountain West Bank and Bank of America Oregon, N.A. were awarded a \$250,000 grant that will allow Spokane Housing Ventures and Whitewater Creek to develop a 60-unit rental complex for the elderly. The project will include one- and two-bedroom units for 53 households at or below 50 percent of area median income. Twelve units will be set aside for homeless individuals, and the remaining seven units will be offered at market rates.

Poleline Properties, L.P. / Post Falls – Bank of America Oregon, N.A. was awarded a \$250,000 grant that will allow Spokane Housing Ventures and Whitewater Creek to develop a 60-unit apartment complex for 53 households with incomes at or below 50 percent of the area median. Twelve of the one-, two-, and three-bedroom units will be set aside for homeless individuals, and 14 will be set aside for the disabled. The remaining seven units will be offered at market rates.

Oregon

Umpqua Mixed Homeownership / Roseburg – Sterling Savings Bank was awarded a \$199,800 grant that Umpqua Community Development Corp. will use to develop 20 mutual-self-help, single-family homes for families earning between 50 percent and 80 percent of area median income. The four-bedroom homes will be located at two sites in Douglas County. In addition, the project will provide five market-rate homes to create mixed-income neighborhoods.

82nd Avenue Place / Portland – Shorebank Pacific and Wells Fargo Bank, N.A. were awarded a \$250,000 grant that will allow Innovative Housing to construct 57 units of housing for residents earning 50 percent or less of area median income. The project will provide one-, two-, three-, and four-bedroom units, all of which will include a washer and dryer to enhance livability and increase long-term rental viability. At least 15 units will be reserved for the homeless. The project is located near services and public transportation and includes the development of a child care center, community space, and indoor and outdoor playgrounds.

Rose Quarter Housing / Portland – Albina Community Bank was awarded a \$250,000 grant that will allow Central City Concern to renovate a hotel to provide 182 studio apartments to residents earning 50 percent or less of area median income. Many of the residents will be formerly homeless, and the project will provide social services to meet their needs. Located in a primarily commercial district, the project will also include approximately 14,000 square feet of commercial and office space.

Daggett Lane Development / Bend – Bank of the Cascades was awarded an \$89,995 grant that Bend Area Habitat for Humanity will use to build nine single-family homes with two, three, and four bedrooms. The homes, which will be located in northeast Bend, will be offered to individuals earning between 50 percent and 70 percent of area median income.

CCSF Section 32 Housing Project / Marion County – Silver Falls Bank was awarded a \$250,000 grant that will allow Catholic Community Services Foundation to provide downpayment assistance to 38 low-income, first-time homebuyers, 20 percent of whom have special needs. The project will also target foster parents and mothers who were previously incarcerated. Homes will be acquired from the Marion County Housing Authority and rehabilitated to meet requirements for residents with special needs.

Eastgate Station / Portland – Bank of America Oregon, N.A. was awarded a \$250,000 grant that Specialized Housing, Inc. will use to provide 45 affordable apartments to residents earning 60 percent or less of area median income. The site is located next to a light rail station and other services, allowing the tenants, many of whom have special needs and were formerly homeless, to access transportation for employment and other daily needs.

The Dalles Area Habitat for Humanity / The Dalles – Columbia River Bank was awarded a \$30,000 grant that will allow Habitat for Humanity – The Dalles to construct three single-family homes with three bedrooms for families earning 50 percent or less of area median income.

Utah

NNHC's First-Time Homebuyer Program / Logan – Bank of American Fork and Wells Fargo Bank Northwest, N.A. were awarded a \$139,980 grant that will allow Neighborhood Nonprofit Housing Corporation to acquire existing homes on scattered sites and develop mutual self-help homes. The project will provide 20 three- and four-bedroom, single-family homes for households earning between 50 percent and 70 percent of area median income.

Brimhall Estates / Provo – Bank of American Fork was awarded a \$40,000 grant that will allow Habitat for Humanity of Utah County to construct three single-family homes and rehabilitate an existing, historic, single-family home. All four homes will be available for first-time homebuyers earning between 25 percent and 50 percent of area median income, and one home will be set aside for a homeless household.

Grayson Apartments / Blanding – Bank of American Fork and Wells Fargo Bank Northwest, N.A. were awarded a \$126,000 grant that will allow Multi-Ethnic Development Corp. to construct 25 two-bedroom apartments in a predominately Native American community, for households earning 50 percent or less of area median income. The project will be located near the College of Eastern Utah, where residents will have access to basic life skills training.

Morley Meadows / Santaquin – Bank of American Fork was awarded a \$250,000 grant that will allow Rural Housing Development Corp. to develop three vacant parcels of raw land into 36 buildable lots for a mutual self-help development serving households with incomes between 50 percent and 80 percent of area median income.

Washington

Shoalwater Bay Willapa Ridge Housing / Tokeland – Anchor Bank was awarded a \$136,000 grant that Southern Puget Sound Intertribal Housing Authority will use to provide 20 three-bedroom homes for low-income Native American families. The units will be leased to the families for 15 years, after which they will convert to homeownership. Residents will be selected from the Shoalwater Bay Tribe's housing wait list and will have incomes at or below 60 percent of area median income. Five units will be reserved for homeless families.

Passage Point – Rehabilitation / Maple Valley – HomeStreet Bank was awarded a \$250,000 grant that will allow YWCA of Seattle-King, Snohomish Counties to rehabilitate a former addiction treatment facility into a supportive housing community for women discharged from correctional systems and working to reunite with their children. This phase of the project will rehabilitate seven buildings into 46 one- and two-bedroom units for households earning 50 percent or less of area median income. The project will also provide community space for a variety of onsite social services.

Patterson Park, Building C / Redmond – First Mutual Bank was awarded a \$41,400 grant that will allow Habitat for Humanity of East King County to provide six owner-occupied homes within a larger development of multi-family townhomes. The project will provide five two-bedroom units and one four-bedroom unit, and serve households earning 50 percent or less of area median income.

Habitat for Humanity Seattle/South King County / Tukwila – HomeStreet Bank was awarded a \$55,992 grant that Habitat for Humanity Seattle will use to develop eight single-family homes for households earning 50 percent or less of area median income. Five of the homes will be acquired and rehabilitated, and three will be new construction. Seattle Public Utilities is donating homes located in an urban flood zone and providing funds to relocate them onto new foundations on donated lots.

AHP Alternate Projects

Third & Blanchard Apartments / Seattle, Washington – Sterling Savings Bank was awarded a \$250,000 grant that Plymouth Housing Group will use to provide 92 apartments for homeless seniors who are at or below 30 percent of area median income. The 95-unit facility will be constructed in the Belltown neighborhood of downtown Seattle and will include three units for onsite managers, a community room with full kitchen facilities, and laundry rooms on each floor. The project will also provide a variety of social services and 24-hour security.

Gregson II / Salt Lake City – Bank of American Fork and Wells Fargo Bank Northwest, N.A. were awarded a \$250,000 grant that will allow the Housing Authority of the County of Salt Lake to provide 84 studio apartments for chronically homeless individuals earning 50 percent or less of area median income. Located in South Salt Lake City, the project will provide a range of onsite social services, including case management and substance abuse counseling.

Maple Grove Development / Boise, Idaho – Bank of the Cascades was awarded a \$161,355 grant that Boise Valley Habitat for Humanity will use to develop six single-family, detached and attached homes for households with incomes at or below 50 percent of the area median. The six homes will be built to Energy Star standards, and all will be visitable.

Sunset Corner, Phase 2 Rentals / Sweet Home – Citizens Bank was awarded a \$30,000 grant that Corvallis NHS, Inc. will use to reduce the principal on an acquisition loan for six single-family rental units. The two- and three-bedroom units are reserved for residents earning 50 percent or less of area median income.

Alaska

Affordable Housing Program / 1990 – 2006

44 projects funded
1,326 households served
441 homeownership / mixed
885 rental
\$6.62 million in grants awarded
\$184.0 million in total development costs

HomeStart Program 1995 – 2006

370 homebuyers served
\$1.85 million in grants committed

Challenge Fund / 1992 – 2006

12 projects funded
257 households proposed
33 homeownership
224 rental
\$140,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

1 project funded – CIP
160 households served
160 rental
\$200,000 in advances provided

ACCESS / 2000 – 2006

2 projects funded
\$60,000 in grants awarded

American Samoa/ Commonwealth of the Northern Mariana Islands/ Territory of Guam

Affordable Housing Program / 1990 – 2006

5 projects funded
112 households served
88 homeownership
24 rental
\$1.03 million in grants awarded
\$14.0 million in total development costs

HomeStart Program 1995 – 2006

1 homebuyer served
\$3,306 in grants committed

Hawaii

Affordable Housing Program / 1990 – 2006

61 projects funded
2,348 households served
998 homeownership
1,350 rental
\$16.83 million in grants awarded
\$363.85 million in total development costs

HomeStart Program 1995 – 2006

92 homebuyers served
\$409,129 in grants committed

Challenge Fund / 1992 – 2006

14 projects funded
549 households proposed
213 homeownership
336 rental
\$160,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

53 projects funded – CIP
15 project funded – EDF
3,937 households served
2,073 homeownership
1,864 rental
\$333.21 million in advances provided

ACCESS / 2000 – 2006

3 projects funded
\$110,000 in grants awarded

Idaho

Affordable Housing Program / 1990 – 2006

64 projects funded
1,800 households served
538 homeownership / mixed
1,262 rental
\$7.27 million in grants awarded
\$128.67 million in total development costs

HomeStart Program 1995 – 2006

1,149 homebuyers served
\$5.28 million in grants committed

Challenge Fund / 1992 – 2006

15 projects funded
277 households proposed
99 homeownership
178 rental
\$148,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

14 projects funded – CIP
1 project funded – EDF
1,205 households served
486 homeownership
719 rental
\$3.26 million in advances provided

ACCESS / 2000 – 2006

2 projects funded
\$60,000 in grants awarded

Montana

Affordable Housing Program / 1990 – 2006

58 projects funded
1,545 households served
516 homeownership
1,029 rental
\$7.43 million in grants awarded
\$110.14 million in total development costs

HomeStart Program 1995 – 2006

1,141 homebuyers served
\$5.59 million in grants committed

Challenge Fund / 1992 – 2006

41 projects funded
789 households proposed
332 homeownership
457 rental
\$434,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

89 projects funded – CIP
50 projects funded – EDF
1,769 households served
687 homeownership
1,082 rental
\$90.47 million in advances provided

ACCESS / 2000 – 2006

3 projects funded
\$58,000 in grants awarded

Oregon

Affordable Housing Program / 1990 – 2006

121 projects funded
4,483 households served
946 homeownership / mixed
3,537 rental
\$17.93 million in grants awarded
\$391.30 million in total development costs

HomeStart Program 1995 – 2006

888 homebuyers served
\$4.94 million in grants committed

Challenge Fund / 1992 – 2006

35 projects funded
613 households proposed
68 homeownership
545 rental
\$383,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

104 projects funded – CIP
17 projects funded – EDF
3,786 households served
615 homeownership
3,441 rental
\$19.81 million in advances provided

ACCESS / 2000 – 2006

3 projects funded
\$155,000 in grants awarded

Utah

Affordable Housing Program / 1990 – 2006

58 projects funded
1,862 households served
832 homeownership / mixed
1,030 rental
\$10.49 million in grants awarded
\$166.67 million in total development costs

HomeStart Program 1995 – 2006

1,131 homebuyers served
\$4.88 million in grants committed

Challenge Fund / 1992 – 2006

27 projects funded
779 households proposed
120 homeownership
659 rental
\$256,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

64 projects funded – CIP
14 projects funded – EDF
2,908 households served
1,267 homeownership
1,641 rental
\$179.74 million in advances provided

ACCESS / 2000 – 2006

2 projects funded
\$50,000 in grants awarded

Washington

Affordable Housing Program / 1990 – 2006

350 projects funded
12,168 households served
1,282 homeownership / mixed
10,886 rental
\$61.65 million in grants awarded
\$1.36 billion in total development costs

HomeStart Program 1995 – 2006

1,665 homebuyers served
\$8.56 million in grants committed

Challenge Fund / 1992 – 2006

62 projects funded
1,914 households proposed
371 homeownership
1,543 rental
\$799,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

542 projects funded – CIP
123 projects funded – EDF
23,793 households served
9,252 homeownership
14,541 rental
\$2.31 billion in advances provided

ACCESS / 2000 – 2006

7 projects funded
\$505,000 in grants awarded

Wyoming

Affordable Housing Program / 1990 – 2006

33 projects funded
894 households served
364 homeownership / mixed
530 rental
\$4.54 million in grants awarded
\$45.42 million in total development costs

HomeStart Program 1995 – 2006

169 homebuyers served
\$818,094 in grants submitted

Challenge Fund / 1992 – 2006

4 projects funded
30 households proposed
30 homeownership
\$50,000 in grants awarded

Community Investment Program/Economic Development Fund / 1990 – 2006

40 projects funded – CIP
15 projects funded – EDF
585 households served
585 rental
\$28.43 million in advances provided

ACCESS / 2000 – 2006

2 projects funded
\$80,000 in grants awarded

Out of District

Affordable Housing Program / 1990 – 2006

7 projects funded
271 households served
69 homeownership
202 rental
\$1.42 million in grants awarded
\$30.68 million in total development costs

HomeStart Program / 1995 – 2006

49 homebuyers served
\$182,150 in grants submitted

Community Investment Program/Economic Development Fund / 1990 – 2006

87 projects funded – CIP
10 projects funded – EDF
6,376 households served
144 homeownership
6,232 rental
\$256.70 million in advances provided

2006

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Color Country Community Housing, Inc.
St. George, UT
Representing: Utah

John Berdes – Vice Chair

President and Managing Director
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Representing: Washington

Ren Essene

Business Development and Strategic Consultant
homeWORD
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Andrew Rodriguez

Executive Director
Nampa Housing Authority
Nampa, ID
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Cheyenne, WY
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Donald Tarleton

President
Hawaii Community Reinvestment Corporation
Honolulu, HI
Representing: Hawaii

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AS OF DECEMBER 31, 2006**

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Lee Chan Tan
Compliance Analyst
Washington

Paula Rhync
Assistant Compliance Analyst

2006 COMMUNITY SPIRIT AWARD

The Federal Home Loan Bank of Seattle's annual Community Spirit Award recognizes a Seattle Bank member that exemplifies the spirit of community partnership in creating affordable housing and economic development opportunities for residents, small business owners, and community service providers within our region.

The Seattle Bank's 2006 Community Spirit Award recognized Rainier Pacific Bank, of Seattle, Washington, for its contribution to the communities it serves.

Rainier Pacific has played an important role in the history and growth of Northwest communities since 1932, and today it serves more than 22,000 households, representing more than one out of every 10 households in its primary market area.

Over the years, Rainier Pacific has supported many charitable organizations and programs in the local community. Since its inception in 2003, the Rainier Pacific Foundation has provided funding for programs and services that support unserved or underserved populations, with a focus on education, health care, and community service.

Rainier Pacific's community service commitment is also reflected in its extensive use of the Seattle Bank's Community Investment Program (CIP) and Economic Development Fund (EDF). The \$176 million in CIP/EDF advances Rainier Bank has drawn has funded 144 projects and 2,827 units of affordable housing.

The Federal Home Loan Bank of Seattle is honored to support Rainier Pacific Bank—and all of our member institutions—in making our communities better places to work and live.

Note: Figures represent Rainier Pacific Bank's use of the Seattle Bank's community investment programs as of December 31, 2005.

Mission Statement

The Federal Home Loan Bank of Seattle is a financial cooperative that provides liquidity, funding, and services to enhance its members' success and support the availability of affordable homes and economic development in their communities.



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