
FHLBank
Topeka
2016
Affordable Housing Advisory Council
AHAC
ANNUAL REPORT

letter from the

CHAIR

There was something to celebrate every season in 2016.

FHLBank Topeka's Housing and Community Development department approved more than $7 million through the Affordable Housing Program this past year and disbursed more than $4 million in Homeownership Set-aside Program grants.

But numbers, as we know, don't tell the whole story. The $7 million doesn't speak to the geographic diversity of families and individuals who benefit from these programs. That $4 million doesn't show how many more FHLBank members were able to better their communities when we changed the HSP limits to $25,000 per month per institution.

The limit guideline, which was new in 2016, allowed 123 different members to disburse funds through the homebuyer assistance program this past year, helping reach even more first-time homebuyers across the region.

In the following pages, take a moment to read about the stories behind the numbers.

These are the stories of families seeking their first homes, residents with low- to moderate incomes and communities in need who turned to FHLBank Topeka through our members for assistance. These are the people who, because of our partnerships and programs, now also have something to celebrate throughout the year.

Claudia Brierre

Claudia Brierre | AHAC Chair



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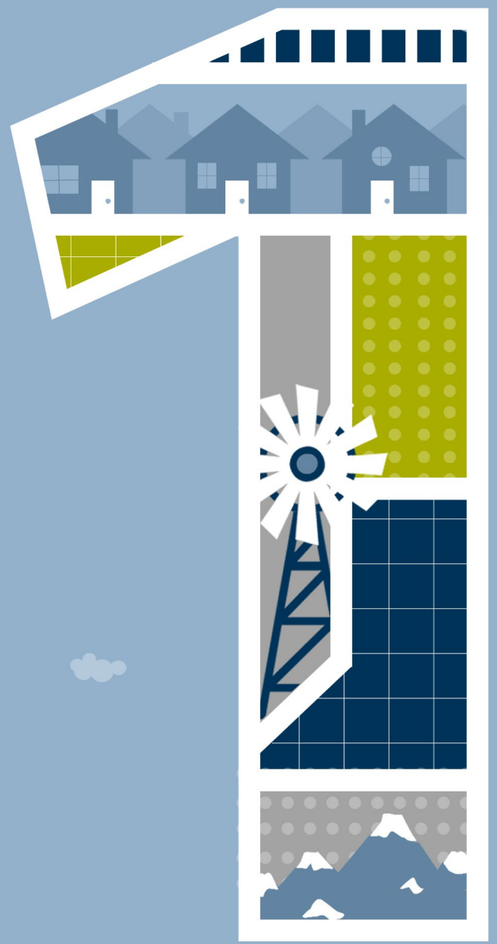
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PROGRAMS

BREAKDOWN

PROGRAM	USES	BENEFICIARIES	FUNDING	TERMS
Affordable Housing Program (AHP) Owner-occupied and Rental	Gap financing for the acquisition, rehabilitation or new construction of owner-occupied and rental housing	Households with income at or below 80% of the Area Median Income (AMI)	Grants of up to $750,000 per project $7,044,433 approved in 2016 21 projects funded and 883 units created in 2016	• Competitive program • Must meet regulatory guidelines and eligibility/ feasibility requirements • Must demonstrate subsidy need • 5-year retention period for owner-occupied projects and 15-year retention period for rental projects
Homeownership Set-aside Program (HSP)	Down payment, closing cost and purchase-related repair assistance	First-time homebuyer households in FHLBank's district with incomes at or below 80% of the AMI	Grants of up to $5,000 per household; per member limit may be lifted after Aug. 1 $4,245,907 disbursed for the 2016 HSP with 854 total buyers	• Non-competitive program • Must meet regulatory guidelines and eligibility/ feasibility requirements • 5-year retention period
Community Development Program (CDP)	Financing for qualifying commercial loans, farm loans and community and economic development initiatives	Small businesses, farms, agribusiness, public or private utilities, schools, medical and health facilities, churches, day care centers or other community and economic development projects	Regular, callable and amortizing fixed rate or adjustable rate advances with a minimum of $10,000 priced below FHLBank's regular rates $182,668,400 approved in 2016	• Non-competitive; available terms from four months to 30 years • Eligibility requirements apply
Community Housing Program (CHP)	Financing for owner-occupied and rental housing	Households earning at or below 115% of AMI	Regular, callable and amortizing fixed rate or adjustable rate advances with a minimum of $10,000 priced below FHLBank's regular rates $46,997,700 approved in 2016	• Non-competitive; available terms from four months to 30 years • Eligibility requirements apply
Rural First-time Homebuyer Education Program (RFHEP)	Supporting a community-based delivery system of education that ensures readiness of homebuyers throughout rural areas of FHLBank's district	Statewide homebuyer education coordinating agencies	Grants of up to $18,750 per project and per member $75,000 provided in 2016	Non-competitive program



Rebuilding Together, Inc., used an AHP grant, to fund home repairs, such as new roofs, for Oklahoma homeowners in need.

Kiamichi Country, Okla.

Every community wants safe and healthy housing for its citizens.

Thanks to participation in the Affordable Housing Program, Rebuilding Together Kiamichi Country has helped 59 homeowners in southeast Oklahoma make their homes more livable.

"The 2013 AHP grant helped us complete 66 projects in total," said Joey Clark, the development director of Shared Blessings, a nonprofit that provides clothing, food, furniture and household goods to community members in need.

Clark also serves as the volunteer director of Rebuilding Together Kiamichi Country, Inc. The organization accepts applications from homeowners throughout southeast Oklahoma who meet income requirements.

Rebuilding Together Kiamichi Country, Inc.

Member: The Bank, NA | McAlester, Okla.

Grant year: 2013 and 2016

Amount: 2 $400,000 grants

"Our primary focus is on seniors, veterans and families with kids," Clark explained.

The work Rebuilding Together tackles includes installing a new roof, removing mold, repairing drywall, and installing safety items like grab bars, smoke detectors and lighting. All of their work is completed at no cost to the homeowner.

Rebuilding Together was approved for a second AHP grant in 2016.

For both grants, their application was sponsored by The Bank, NA, in McAlester, Okla. Kevin Priddle, executive vice president and cashier for The Bank, is proud to be involved in the project.

"The AHP is a wonderful way to act as a conduit to help others," Priddle said. "The Rebuilding Together project filled a tremendous need, especially among seniors with fixed incomes who can't do the work or afford to pay for the work themselves. Rebuilding Together tackles insurmountable problems for their clients."

Emporia, Kansas

Dora Guerrero's leaky roof had controlled her life for many years.

"If we weren't home and it started to get cloudy, we'd stop what we were doing to rush home to get our buckets in place," Guerrero said. "We had leaks in every room and didn't have the money to fix it."

Guerrero cares for her adult son, who is disabled, in the home she's owned since 1985. Her resources are limited, and her roof wasn't the only issue.

"Many of our windows were cracked. I covered them with plastic and blankets in the winter," she explained. "We couldn't afford to heat more than two rooms so were confined to a smaller space."

Luckily, a friend told her about the Emporia Homeowner Repair Program, which is funded by a $100,000 Affordable Housing Program (AHP) grant through FHLBank member ESB Financial. Jeff Lynch, community development coordinator for the City of Emporia, administers the program. Twenty homeowners, like Guerrero, with incomes below 50% of the area median across Emporia benefit from the funding.

"We have almost completed the final project under the grant," said Lynch. "Once the weather cooperates, we'll complete a new roof for our 20th recipient."



No longer suffering from cracked windows and a leaky roof, Dora Guerrero and her son are thankful for the AHP funds that helped repair their home.



Emporia Homeowner Repair

Member: ESB Financial | Emporia, Kan.

Sponsor: City of Emporia

Grant year: 2013

Amount: $100,000 grant

Other repair projects have included work such as replacing windows, furnaces or air conditioners and repairing plumbing and electrical issues. Many of the recipients are disabled or elderly. Each project is allocated $5,000.

"Although this amount is usually sufficient, that isn't the way life works sometimes," Lynch said. "In those cases, we leverage local funds to fill the gap."

In Guerrero's case, she received a brand new roof and new windows.

"I don't have the words to express how grateful I am. I'm able to look out the window now, and don't have to worry about my roof falling in." she said. "The repairs are such a positive change for me and my son."



The Lincoln community joined together in May to celebrate the newly renovated President and Ambassador Apartments.

Lincoln, Nebraska

You hear a lot about community in Lincoln, Neb.

Perhaps no more so than in conversations about the rehabilitation of the President and Ambassador Apartments. While the 2013 AHP project was sponsored by Horizon Bank, it took a heavy dose of teamwork to get it done.

Click to watch
Residents share their stories

"The President and Ambassador buildings are very much a community-oriented project," said Bob Lange, president of Interfaith Coalition, a nonprofit organization that oversees the apartments. "We had to work with the city, the state and organizations like FHLBank Topeka to make this happen."



President & Ambassador Buildings

Member: Horizon Bank | Lincoln, Neb.

Sponsor: Interfaith Coalition

Grant year: 2013

Amount: $400,000 grant

Formerly accommodations for state senators, the then 64-year-old President and Ambassador buildings became major candidates for conversion in 1989. By virtue of the buildings' history, community support and the tremendous need for affordable housing in Lincoln, a nonprofit board formed to purchase, rehab and manage the two sites.

They soon became home to many low-income families and residents with disabilities. But over time, the aging buildings were again in need of serious rehabilitation. The community rallied once more, and a trifecta was formed between Interfaith Coalition, Excel Development Group and Horizon Bank.

"If these building were not saved," said Brent Williams of Excel, "the residents would have most likely ended up at the mission."

The $8.1 million rehab took four years to complete. Among the upgrades were full-size refrigerators, new carpeting and the addition of a lower-level movie room. But many residents said the monthly fellowship dinners — joined by new friends from the building rehabilitation team — is their favorite part.

"This meant a lot to the residents," said Paula Rhian, vice president of Horizon Bank, "And it wouldn't have happened without the AHP grant from FHLBank Topeka."

Broomfield, Colo.

Gerald and Donna are two of eight adults with developmental disabilities that reside in Imagine! Santa Fe group home.

Completed in 2014 with the help of a $90,000 AHP grant through FHLBank Topeka member Commerce Bank, Santa Fe is one of four group homes built to accommodate adults with disabilities in Broomfield, Colo., since 2008.

Click to watch
Learn more about Gerald's journey

In 2004, Gerald began using services offered by Imagine!, a community-centered organization that provides services for citizens with disabilities in Broomfield and Boulder counties in Colorado. Gerald has developmental disabilities requiring him to be in a wheelchair and communicate through a tablet.

Before 2008, it would have been impossible for Gerald to live on his own. But, with the help of Imagine!, Gerald and his wife, Donna, who he met through Imagine! are able to live independently in the Santa Fe home.

"It's harder and harder for people with disabilities to find these kind of houses," said Fred Hobbs, Imagine! public relations manager.

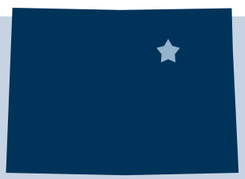


Enjoying the outdoors is just one of the freedoms Donna and her husband Gerald now have as residents of the Sante Fe group home in Bloomfield, Colo. The couple wouldn't be able to live on their own without this 2014 AHP project.

"And it's harder and harder for organizations to provide services for people with developmental disabilities in a fiscally responsible way."

Located on the outskirts of Broomfield, the Santa Fe home was designed with larger hallways and bathrooms to accommodate wheelchairs and staff.

For residents like Gerald and Donna, the location and amenities of the home has opened up a world of independence they have never known.



Santa Fe Group Home in Broomfield, Colo.

Member: Commerce Bank | Broomfield, Colo.

Sponsor: Imagine! Housing of Broomfield and Boulder

Grant year: 2014

Amount: $90,000 grant

HSP SPOTLIGHT

Wichita, Kansas

The defeating moment happens all too often for first-time homebuyers.

Due to appraisals, closing costs or an unknown fee, they realize they just don't have enough money to put down for a house.

Linsey Sipult wasn't immune. Despite working to save money for a downpayment, the young Wichita native was coming up short. Fortunately, a friend sent her an article about FHLBank Topeka's Homeownership Set-aside Program (HSP) and instantly she knew she could make ends meet.

"This is how I am going to get my house," Sipult said she realized after reading about HSP, a program that helps cover closing costs for first-time homebuyers in urban and rural areas. "This is how I am going to get a downpayment."

For 20 years, FHLBank Topeka has partnered with members to help would-be homeowners like Sipult in the form of a forgivable HSP grant. The program distributed more than $4 million in 2016.

It was the same year FHLBank changed the guidelines of the program to limit members to $25,000 per month. The change gave more financial institutions the opportunity to serve homebuyers for longer periods.

Heartland Credit Union in Hutchinson, Kan., which disbursed Sipult's HSP grant, is one of 153 members that registered to participate in 2016. They were not able to secure HSP funds the year before. Michael Lorimor, assistant vice president of Mortgage Lending, said his institution was excited to take part this year.



Heartland Credit Union was one of 153 FHLBank Topeka members that registered to participate in the Homeownership Set-Aside Program in 2016.



Homeownership Set-aside Program grant in Wichita

Member: Heartland Credit Union | Hutchinson, Kan.

Grant year: 2016

Amount: $5,000 grant

"We are thrilled about the partnership we have with FHLBank," he said. "It has given us a fantastic opportunity to provide substantial member services to those who have chosen HCU as their trusted mortgage lender."

Turning to Heartland, Sipult worked with the mortgage staff to apply for the $5,000 HSP grant and walk through the homebuying process. The money helped cover her closing costs and brought her monthly housing costs to a minimum.

"It enabled me to get my mortgage payment lower than what I was paying in rent, which was the thing giving me the most anxiety," Sipult said. "I love the freedom of owning my own home."

CHP SPOTLIGHT



Ellis County Estates, which were funded by Farmers & Merchants Bank, include such amenities as garage access for residents.

Ellis County, Kansas

It's as common as a handshake in community banking.

Bankers contact developers about funding needs. When Brent Wiedeman, president and CEO of Farmers & Merchants Bank, reached out to developer Wes Bainter about his upcoming project in Hays, the results were positive for both parties.

"We had worked with Farmers & Merchants in the past, but Brent's letter made me look at them again," Bainter said. "Brent and his bank are huge assets. He was able to make a decision in an hour or two, which kept our project moving along."

One reason Farmers & Merchants could act quickly was their partnership with FHLBank Topeka.

"We've used the Community Development Program (CDP) quite often over the past 10 to 15 years," Wiedeman said. "Using CHP funding was a good fit for Ellis County Estates."



Ellis County Estates

Member: Farmers & Merchants Bank | Colby, Kan.

Amount: $3.8 million loan

FHLBank offers discounted advances through the Community Housing Program (CHP) and CDP to support members' eligible loans. The CHP, which Farmers & Merchants used, provides match funding for owner-occupied and rental housing targeted to households earning at or below 115% of the area median.

"There is a great need for affordable housing for seniors on fixed incomes," said Bainter, who has developed nine senior living complexes across northwest Kansas. "We started in Hoxie in 2004. Since then, the towns have approached us with a need for better senior care."

The units in Bainter's complexes are larger than many other affordable housing options. Most have two bedrooms, access to a garage, in-home laundry, a full kitchen and are accessible for wheelchairs or scooters.

The CHP advance helped match fund Farmers & Merchants Bank's loan for Phase II of the project. After the units from the first phase filled quickly, Phase II added 20 apartments for a total of 32 units. Ellis County Estates also includes community areas for residents to gather.

"This project added to the affordable housing options for seniors," Wiedeman said. "We were pleased to help seniors stay independent."





Happy in his home, Sean Walter has married and started a family since receiving an HSP grant from Morgan Federal Bank to help buy his first house. HSP is just one of the FHLBank products Morgan Federal uses to serve its community.

Fort Morgan, Colo.

For the past 12 years, FHLBank Topeka has recognized a member institution that best uses our products and services to provide outstanding leadership and vision within the communities they serve with our Community Leader Award (CLA).

In 2016, the recipient was Morgan Federal Bank in Fort Morgan, Colo.

Morgan Federal has served their community since the Great Depression and has been a member of FHLBank since 1935. The bank has participated in three of our housing and community development programs – AHP, CHP and HSP.

Through AHP, they supported the renovation of Gateway Village Apartments in 2000. Gateway Village is home to nearly 100 residents with low incomes in Fort Morgan. The project was in a serious state of disrepair prior to the renovations.

Local schools provide after-school programs at Gateway Village, and local 4-H Club and Girl Scout troops meet in the community room, so it was essential that the facility was safe. The $300,000 AHP grant helped fund needed improvements. Without the funding, the project faced foreclosure by HUD.

Click to watch Morgan Federal's CLA video

Through CHP, Morgan Federal funded 10 single-family loan pools from 2003 to 2013 for a total of $73 million in discounted CHP advances.

Morgan Federal has also used HSP to help first-time homebuyers for nearly 10 years. Through HSP, 24 families now own a home. One such homebuyer, Sean Walter, received a $5,000 grant to purchase a home and since has married and started a family. Sean and his wife are happy to have a home in a good neighborhood to raise their two small children.

As part of the CLA, Morgan Federal's story was commemorated in a video, which is available **on our website**. They also received a $5,000 donation to the nonprofit of their choice — Eben Ezer Lutheran Care Center.

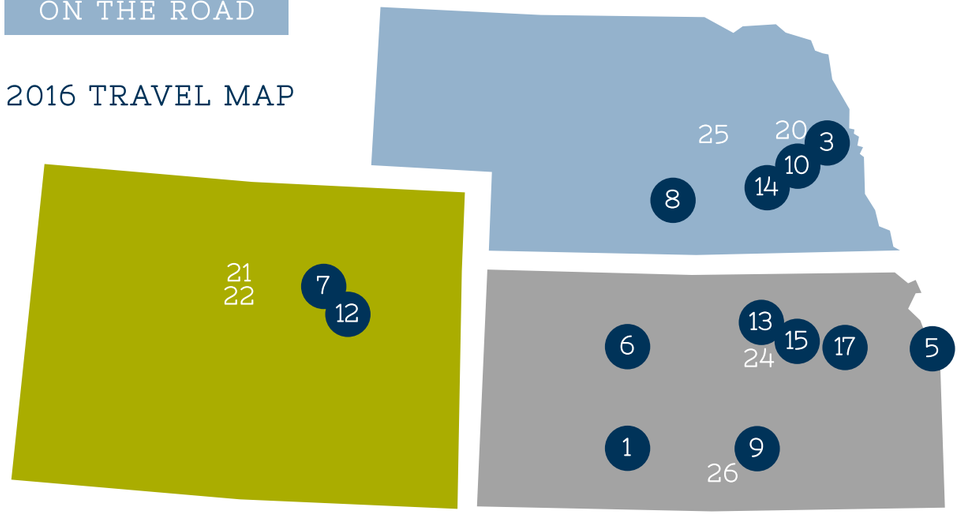
The 2017 CLA will be announced April 20 at our Annual Management Conference in Kansas City.



OUT AND ABOUT

ON THE ROAD

2016 TRAVEL MAP



WHERE WE WERE IN ’16

Here’s where FHLBank HCD representatives presented throughout the year:

1 Greensburg, Kan.
Kiowa County Chamber of Commerce Meeting

2 Tulsa, Okla.
Vintage Housing Ribbon Cutting

3 La Vista, Neb.
NIFA Conference

4 Oklahoma City, Okla.
MHEG Housing Summit, OKC

5 Kansas City, Mo.
AMC

6 Hays, Kan.
HIAC

7 Denver, Colo.
40 West Residences Grand Opening

8 Kearney, Neb.
USDA Managers Training

9 Wichita, Kan.
Hodge & Porter 25th Annual Event

10 Ashland, Neb.
MHEG annual meeting

11 Alva, Okla.
Oklahoma Regional Housing Forum

12 Parker, Colo.
Colorado Regional Meeting (RM)

13 Manhattan, Kan.
KHRC

14 Lincoln, Neb.
Nebraska RM

15 Manhattan, Kan.
Kansas NAHRO Fall Conference

16 Tulsa, Okla.
Oklahoma NAHRO

17 Topeka, Kan.
Kansas RM

18 Oklahoma City, Okla.
Oklahoma RM

WHERE WE’LL BE

These are a few of our tentative stops for 2017:

20. NIFA in La Vista, Neb.
21. Colorado Housing Now in Vail, Colo.
22. Colorado NAHRO in Vail
23. Oklahoma NAHRO in Oklahoma City
24. Kansas NAHRO in Manhattan
25. Nebraska NAHRO in Columbus
26. KHRC in Wichita



ABOUT US

LEADERSHIP

FHLBANK BOARD OF DIRECTORS



FRONT ROW L. Kent Needham, Richard Masinton, Holly Easterling, Jane Knight, Andrew Hove, Jr., Neil McKay **BACK ROW** Mark O'Connor, Douglas Tippens, Bruce Schriefer, G. Bridger Cox (Chair), Milroy Alexander, Michael Jacobson, Robert Caldwell, III, James Hamby, Mark Schifferdecker, Thomas Olson, Jr.

AFFORDABLE HOUSING ADVISORY COUNCIL



FROM LEFT Chad Asarch, Michael Renken, Matthew Brady, Kathy Bell, Brent Williams, Claudia Brierre (Chair), Lynn Fleming, Valerie Powell, Jane Harrington, John Wiechmann Not pictured: Sophronia George

DEPARTMENT



Tom Thull
VP, Director of Housing and Community Development



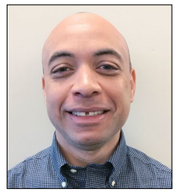
Mike Borcher
AVP, Affordable Housing Program Manager



Mark Ward
AVP, Community Programs and Reporting Manager



Eric Degenhardt
Housing and Community Development Specialist II



John Gary
HCD Coordinator - AHP Developmental Feasibility



Savanna Gonzalez
Housing and Community Development Specialist



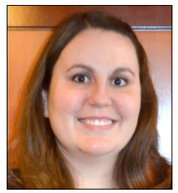
Jennifer Kathrens
HCD Administrative Specialist



Joan Lickteig
Housing and Community Development Specialist II



Randi Lutz
HCD Coordinator - Operations



Alyse Mioni
HCD Coordinator - AHP Rental



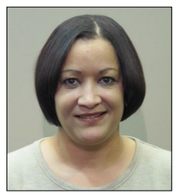
Dustie Nitcher
HCD Coordinator - AHP Owner Occupied



Jessica Puvogel
HCD Coordinator - HSP



Melody Richard
Housing and Community Development Specialist



Utika Scales
Housing and Community Development Specialist



Erika Skinner
Housing and Community Development Specialist



Terri Smith
HCD Coordinator - Quality Control and Compliance

CONTACT US

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SOUND OFF

Thank you for your generous donation to our Campus Redevelopment. Your kindness and financial support benefit the lives of many."

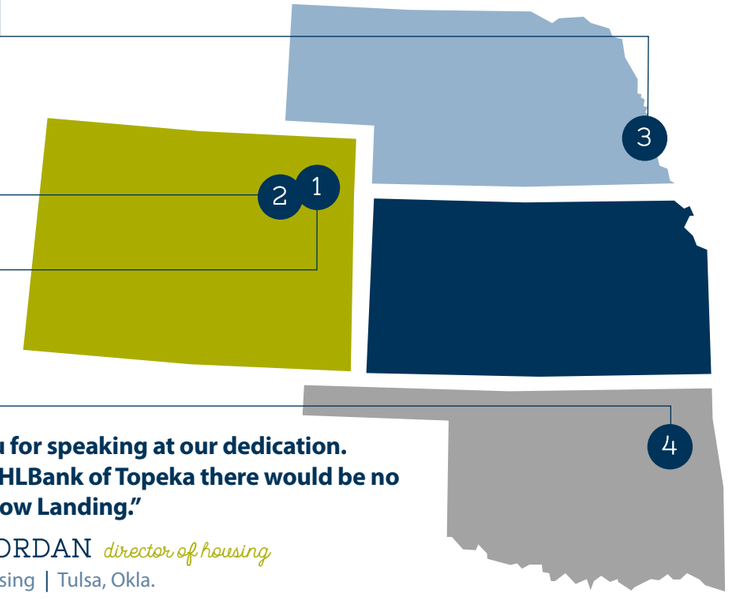
ROGER SCHAEFER *board member*
Eben Ezer Lutheran Care Center | Brush, Colo.

Thank you a million for supporting Habitat but especially for helping my family in a way words can't explain. We are more than thrilled to have a place where we can call home and create unforgettable memories."

THE CARDENOS FAMILY *homeowner*
Habitat for Humanity | Longmont, Colo.

Thank you for your participation at the 2016 Housing Innovation Marketplace. The time and energy you devoted to making the Resource Opportunities for Homeowners session a success is greatly appreciated."

TIM KENNY *executive director*
Nebraska Investment Finance Authority | Omaha, Neb.



Thank you for speaking at our dedication. Without FHLBank of Topeka there would be no Brookhollow Landing."

VICKI JORDAN *director of housing*
Vintage Housing | Tulsa, Okla.


FHLBank
Topeka