



**Board Meeting  
Tentative Agenda  
September 3, 2014  
5:15 p.m.**

**Sioux City Room  
Downtown Marriott  
Des Moines, Iowa**

**I. Consent Agenda**

- Approval of Minutes of the August 6, 2014, IFA Board Meeting
- WQ 14-13, Loan for INHF – Winneshiek Co. – Coldwater Creek Addition
- AG 14-034A, Jason and Alissa Van Maanen
- AG 14-035A, Brock and Danniele Anderson
- AG 14-036A, Brian Schmitt
- AG 14-037A, Patrick J. and Stacy J. Flynn
- AG 14-038A, Cory J. Moore
- 04585M, Daren M. Rinderknecht, Van Horne
- 04787M, Wesley R. Gould, Hedrick
- 04788M, Aaron J. Gould, Washington
- AG-TC 14-09, Beginning Farmer Tax Credit Program

**II. Administration**

- **Accounting and Finance**
  - ◆ Review of Financial Statement
  - ◆ FIN 14-05, Resolution Authorizing Fannie Mae Preferred Risk Program

**III. HousingIowa**

- HI 14-15, Housing Trust Fund Certification
- HI 14-16, HOME Awards

**IV. Community Development**

- **Economic Development Bond Program**
  - ◆ ED 14-08B, Kahl Home Project
  - ◆ ED 07-14B-1, Five Star Holding Project
- **Iowa Agriculture Development Division**
  - ◆ AG 14-034B, Jason and Alissa Van Maanen
  - ◆ AG 14-035B, Brock and Danniele Anderson
  - ◆ AG 14-036B, Brian Schmitt
  - ◆ AG 14-037B, Patrick J. and Stacy J. Flynn
  - ◆ AG 14-038B, Cory J. Moore

**V. Miscellaneous Items**

- Receive Comments from General Public – 5 min./person; 30 min. total time

**VI. Adjournment**

*Items on the consent agenda may be removed from the consent agenda for separate consideration at the request of any Board member.  
Agenda items may be taken out of order at the discretion of the Board Chair.*



## **BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa  
August 6, 2014**

### **Board Members Present**

Ruth Randleman, Chair	Joan Johnson
David Greenspon, Vice Chair	Jeff Heil
Michel Nelson, Treasurer	Shaner Magalhães
Eric Peterson	

### **Board Members Absent**

Darlys Baum  
Carmela Brown

### **Staff Members Present**

David Jamison, Executive Director/Board Secretary	Ashley Jared, Director of Communications
Jess Flaherty, Executive Assistant/ Recording Secretary	Carolann Jensen, Chief Administration Officer
Jerry Floyd, HOME Program Analyst	Wes Peterson, Director of Government Relations
Steve Harvey, Chief Operating Officer	Terri Rosonke, HousingIowa Development Specialist
Deb Haugh, Director of SF Production	Mark Thompson, General Counsel
Geri Huser, Iowa Title Guaranty Director	Dave Vaske, LIHTC Manager
Nancy Wallis, Administrative Assistant	Joanna Wilson, Associate General Counsel
Mark Fairley, Finance & Investment Manager	Julie Noland, Director of Compliance
Amber Lewis, Homeless Programs Coordinator	Tammy Nebola, IA AG Program Specialist
Sheri Krohn, Single Family Manager	Megan Seuferer, Loan Production Specialist
Melody Berns, Housing Compliance Specialist	Deb Briggs, Housing Compliance Specialist
Tim Jansen, Accounting Manager	Diane Kuhl, Administrative Assistant
Cynthia Thompson, Housing Compliance/Budget Specialist	Rachael Hoffman, Compliance Officer
	Susan Mock, Program Assistant

### **Others Present**

David Grossklaus, Dorsey & Whitney	James Smith, Dorsey & Whitney
Dean Hoag, The Title Resource Network	Brenden Hoag

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### **Call to Order**

Chair Randleman called to order the August 8, 2014, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken and a quorum was established with

the following Board members present: Randleman, Greenspon, Nelson, Johnson, Heil, Magalhães and Peterson.

### **Consent Agenda**

Chair Randleman introduced the consent agenda and asked if anyone wanted to request that items be removed.

**MOTION:** There being no objections, Mr. Magalhães made a motion to approve the items on the consent agenda, which included the following:

- Approval of Minutes of the July 9, 2014, IFA Board Meeting
- Approval of Minutes of the July 18, 2014, Telephonic IFA Board Meeting
- ED 14-06A, Castlewood Apartments Project
- ED 14-07A, Care Initiatives Project
- ED14-08A, Kahl Home Project
- WQ 14-11, SRF Planning and Design Loans
- WQ 14-12, SRF Construction Loans
- AG 14-031A, Brian L. and Darcy L. Fritz
- AG 14-032A, Robert J. Trumm
- AG 14-033A, Philip M. Trumm
- AG-TC 14-08, Beginning Farmer Tax Credit Program

On a second by Mr. Heil, the Board unanimously approved the items on the consent agenda.

### **Administration**

#### **Staff Years of Service Awards**

Chair Baum and Director Jamison presented certificates recognizing the following IFA staff members for their years of service to IFA:

**5 years of service** – Melody Berns, Deb Briggs, Jess Flaherty, Ashley Jared, Karla Martinez (not present) and Megan Seufferer

**10 years of service** – Steve Harvey, Tim Jansen, Diane Kuhl and Cynthia Thompson

**15 years of service** – Rachael Hoffman, Susan Mock, Nancy Wallis and Christine Wetzler (not present)

Chair Randleman and Director Jamison thanked them for their work for IFA and the citizens of Iowa.

#### **ACCOUNTING AND FINANCE**

##### **Review of Financial Statement**

Mr. Harvey presented the June 2014 financial results. He said that as a housing agency, year-to-date net operating income of \$26,188,137 is favorable to budget by \$2,637,318.

The State Revolving Fund year-to-date net operating income of \$33,176,424 is unfavorable to budget by \$527,998.

**MOTION:** On a motion by Mr. Greenspon and a second by Mr. Magalhães, the Board unanimously accepted the June 2014 financial statement.

**FIN 14-04, Loan to Keokuk Area Hospital**

Ms. Jensen reported that the Iowa Legislature passed and the Governor signed House File 2460 which requires IFA to provide a \$5 million loan to a hospital in Keokuk, Iowa. The resolution authorizes the Executive Director to enter into a loan agreement with the hospital for a \$5 million loan, at 0 percent interest, with payback not to exceed five years. The funds from the loan repayment will be deposited into the fund of origin.

**MOTION:** On a motion by Mr. Nelson and a second by Mr. Heil the Board unanimously approved FIN 14-04, Loan to Keokuk Area Hospital

**Communications**

Ms. Jared updated the Board members on the upcoming 2014 HousingIowa Conference: Awesometown, September 3-5, 2014. Ms. Jared stated that there will be several tracks and trainings offered during the contest. Secondly, she updated the board on the When a House Becomes a Home summer contest. She stated that Ben and Becca Krause of Britt, Iowa, won the contest.

**HousingIowa**

**HI 14-14, Emergency Solutions Grant Awards**

Ms. Lewis requested resolution approval of HI 14-14 to authorize the award of ESG funds to the 28 applicants and in the amounts listed on the Exhibit A to HI 14-14, Proposed Iowa Statewide Emergency Solutions Grant Program Funding Awards for the 2015 Calendar Year.

**MOTION:** On a motion by Mr. Peterson and a second by Mr. Heil, the Board unanimously approved resolution HI 14-14, Emergency Solutions Grant Awards.

**Community Development**

**IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)**

**AG 14-031B, BRIAN L. AND DARCY L. FRITZ**

**AG 14-032B, ROBERT J. TRUMM**

**AG 14-033B, PHILIP M. TRUMM**

Ms. Nebola introduced the resolutions for the IADD and asked for Board action.

**MOTION:** On a motion by Mr. Nelson and a second by Mr. Peterson, the Board unanimously approved the resolutions for the IADD.

**Iowa Title Guaranty**

Ms. Huser gave a brief update on Iowa Title Guaranty production for June 2014 stating 8660 commitments/certificates were issued. She stated that there would be a transfer from Iowa Title Guaranty to IFA in October.

**Miscellaneous**

**Receive Comments from General Public**

Chair Randleman opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Chair Randleman closed the public comment period.

**Adjournment**

There being no further business, on a motion by Mr. Magalhães and a second by Mr. Peterson, the August 6, 2014, regular monthly meeting of the IFA Board of Directors adjourned at 11:34 a.m.

Dated this 3rd day of September 2014.

Respectfully submitted:

Approved as to form:

David D. Jamison  
Executive Director/Board Secretary

Ruth Randleman, Chair  
Iowa Finance Authority



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Lori Beary, Community Development Director  
Date: 8/21/14  
Re: Economic Development and Water Quality

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**Consent Agenda**

**State Revolving Fund**

**WQ 14-13 Loan for INHF – Winneshiek Co.– Coldwater Creek Addition**

This is a resolution for IFA to purchase a 100% participation of a loan not to exceed \$365,000 to the Iowa Natural Heritage Foundation. The loan will be originated by Decorah Bank and Trust for a term not to exceed 5 years for the purchase of 56 acres in Winneshiek County.

The Coldwater Creek Addition consists of 27 acres of natural area along Coldwater Creek and about 29 acres of row crop. The natural area is composed of native woodland and grassland as well as the stretch of Coldwater Creek which has walk-in access only for trout fishing. Nearly half a mile of an Iowa designated Trout Stream travels through the Coldwater Creek Addition. This parcel lies adjacent to the Coldwater Creek Wildlife Management Area and the Coldwater Spring State Preserve. The Preserve is home to a cold water spring, the natural exit of an underground stream that flows through Coldwater Cave – a National Natural Landmark and the largest known cavern system in Iowa.

Coldwater Creek is a popular trout stream and supports natural reproduction of brown trout. The Addition will improve access for both public use and natural resource management. The Iowa Natural Heritage Foundation will hold the property until funding is secured by IDNR for repurchase.

**RESOLUTION  
WQ 14-13**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, 2007, as amended and sections 455B.291 through and including 455B.299 of the Code of Iowa, 2007, as amended, works with the Iowa Department of Natural Resources (the "DNR") to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the "SRF Program"); and

WHEREAS, the Authority offers low-interest loans, pass through loans or linked deposits through local lending institutions under the SRF Program for non-point source projects; and

WHEREAS, prior to applying to the Authority for a non-point source loan under the SRF Program, a borrower must receive approval of its project from DNR; and

WHEREAS, The Iowa Natural Heritage Foundation (the "Borrower") has received the necessary written approval from DNR on the project described in Exhibit A attached hereto (the "Project"), which approval is attached as Exhibit B hereto; and

WHEREAS, in connection with the Project, the Borrower has applied for a loan (the "Loan") from Decorah Bank & Trust pursuant to the SRF Program; and

WHEREAS, the Authority has reviewed the loan application of the Borrower and desires purchase a participation in the Loan for the Project, in an amount not to exceed \$365,000 upon the terms and conditions set forth on Exhibit C attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board hereby approves up to a 100% participation in the Loan to the Borrower for the Project, in an amount not to exceed \$365,000, upon the terms and conditions detailed in Exhibit C hereto. The Executive Director is authorized to prepare and issue a commitment for the Loan consistent with the terms of this Resolution.

SECTION 2. The Board authorizes the Authority to finalize this transaction with the Borrower, to negotiate and complete the necessary loan documents, and to fund the participation in the Loan as described herein. The Executive Director is authorized to prepare and execute any necessary documents in connection with the participation in the Loan, consistent with the terms of this Resolution.

SECTION 3. The Board authorizes the Executive Director to fund said participation from available funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3<sup>rd</sup> day of September, 2014.

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David D. Jamison, Secretary

(Seal)

## EXHIBIT A

### Project: *WINNESHIEK COUNTY – COLDWATER CREEK ADDITION*

The Coldwater Creek Addition consists of 56 acres containing 27 acres of natural area along Coldwater Creek and about 29 acres of row crop. The natural area is composed of native woodland and grassland as well as the stretch of Coldwater Creek which has walk-in access only for trout fishing.

Nearly half a mile of an Iowa designated Trout Stream travels through the Coldwater Creek Addition. For years, the owners cooperated with the Iowa Department of Natural Resources (IDNR) to facilitate public access to and restoration of the creek. This parcel lies adjacent to the Coldwater Creek Wildlife Management Area and the Coldwater Spring State Preserve. The Preserve is home to a cold water spring, the natural exit of an underground stream that flows through Coldwater Cave – a National Natural Landmark and the largest known cavern system in Iowa.

The Coldwater Creek Addition is an important step forward in efforts to protect and restore northeast Iowa's trout streams and the Upper Iowa River (which is fed by Coldwater Creek). The buffering effects of this parcel will enrich the health of the Upper Iowa River, a state-designated Protected Water Area.

Coldwater Creek is a popular trout stream and supports natural reproduction of brown trout. The Addition will improve access for both public use and natural resource management.

The Iowa Natural Heritage Foundation will hold the property until funding is secured by IDNR for repurchase.

EXHIBIT B  
**PROGRAM APPLICATION**  
**Iowa Water Quality Loan Fund General Non-Point Source Program**

Project Name	Address	City	State	Zip
Iowa Natural Heritage Foundation	505 5 <sup>th</sup> Avenue, STE 444	Des Moines	IA	50309

Phone Number	Email	Contact Name
515-288-1846	jmcgovern@inhf.org	Joe McGovern

**Legal Description**

56 acres in Section 31, Township 100 North, Range 9 West, in Winneshiek County, Iowa.

Assistance is available to projects where facilities are needed to protect, restore or improve water quality from non-point source pollution. Only applicants that are owners of record of the property or have long-term control of the property where the project is to be implemented are eligible. For additional project eligibility information, please refer to Iowa Administrative Code 567, Chapter 92.13 (455B).

**Description of Practice. Attach Maps, Timeline for Project Completion and an Estimated Lifespan for the Practice.**

Nearly half a mile of an Iowa designated Trout Stream travels through the proposed Coldwater Creek Addition. For years, the owners cooperated with the Iowa Department of Natural Resources (IDNR) to facilitate public access to and restoration of the creek. When the opportunity to purchase the property arose, INHF leapt at the chance to permanently protect the area, which lies adjacent to the Coldwater Creek Wildlife Management Area (WMA) and the Coldwater Spring State Preserve. The Iowa Natural Heritage Foundation will hold the property until funding is secured by the Iowa DNR for repurchase. The site will then have full public access to restoration, enjoyment and management of Coldwater Creek.

The proposed Addition is 56-acres that contains 27 acres of natural area along the creek and steep slopes with about 29 acres of row crop. The natural area is composed of native woodland and grassland, as well as the stretch of Coldwater Creek which has walk-in access only for trout fishing.

*The Iowa Natural Heritage Foundation is applying for \$ 365,000 (the purchase price of the property) through the General Non-Point Source Program of the Iowa Water Quality Loan Fund. The lower interest rate offered by the Iowa Water Quality Loan Fund will ensure that more of the funds raised for the project will be directed to actual project costs.*

**Description of Water Quality Benefits of the Project**

The Coldwater Creek Addition is an important step forward in the IDNR's efforts to protect and restore NE Iowa trout streams and Upper Iowa River (which is fed by Coldwater Creek). The buffering effects of the Addition will enrich the health of the Upper Iowa River, a state-designated Protected Water Area.

Protected Water Areas were chosen based on their "outstanding cultural and natural resource values," and are a priority for protection for this reason. However, the stretch of the Upper Iowa River was recently added to the IDNR Impaired Waters report, listed under **Category 5b**. This section of the river is not recommended for primary recreational uses due to high levels of E. coli bacteria. For this reason it is important to permanently protect, restore and buffer Coldwater Creek from runoff and pollutants to help improve the overall health of the Upper Iowa River watershed.

At the same time, Coldwater Creek is itself an important natural and scenic resource. A popular trout stream, it supports natural reproduction of brown trout. The Addition will improve access for both public use and natural resource management. It helps to fill in a missing segment along an otherwise protected length of Coldwater Creek. The management practices on the steep slopes of the property will be evaluated to increase permanent vegetation and perennial cover.

The Addition is also directly adjacent to Coldwater Spring **State Preserve** - a 60-acre subset of the Coldwater Creek WMA. The Preserve is home to a cold water spring, the natural exit of an underground stream that flows through Coldwater Cave— a National Natural Landmark and the largest known cavern system in Iowa. Protecting the Coldwater Creek Addition will play an important part in maintaining the integrity of this unique natural area, while also ensuring the health of the creek overall.

Total Estimated Project Costs	Percentage of Project for Water Quality Protection/Improvement
<i>\$365,000</i>	<i>100%</i>

Estimated General Non-Point Source Program Loan
<i>\$365,000</i>

## PROGRAM APPLICANT CONDITIONS

- Timely completion. The approval of this application is good for six months following DNR signature. If the project is not expected to be complete within six months, the applicant may request an extension from the DNR. If the project is not complete and a request to extend this approval is not made, GNS funds may not be available.
- Records. The project owner shall maintain records that document all costs associated with the project for not less than 3 years from the date of the final loan payment. The project owner shall provide the Department of Natural Resources representative access to the project to verify the loan was used for the purpose intended.
- Rectification and Disputes. Failure of the project owner to implement the approved local water protection project or to comply with the applicable requirements constitutes grounds for the Department of Natural Resources or the lending institution to withhold loan disbursements. The project owner is responsible for ensuring that the identified problem is rectified.
- Repayment & Property Transfer. Loans shall be repaid in accordance with the terms and conditions of the executed loan agreement between the participating lender and project owner. Repayment of the loan must begin within 30 days after the project is completed or by the date specified by the participating lender, whichever is earlier. In the event of property transfer from the project owner that secured the loan to another person or entity during the repayment period specified in the loan agreement, the balance of the loan, principal and any accrued interest shall be due in full. Prepayment of the principal in whole or in part shall be allowed without penalty.
- Project owner is responsible for obtaining all applicable permits. This application approval does NOT constitute a permit.

## PROGRAM APPLICANT SIGNATURE

**Project Owner Signature.** By signing this program application, I agree that all information provided in this application is accurate and I agree to the conditions listed above.

Project Signature Name and Title	Signature	Date
Joe McGovern, President Iowa Natural Heritage Foundation		3/31/14

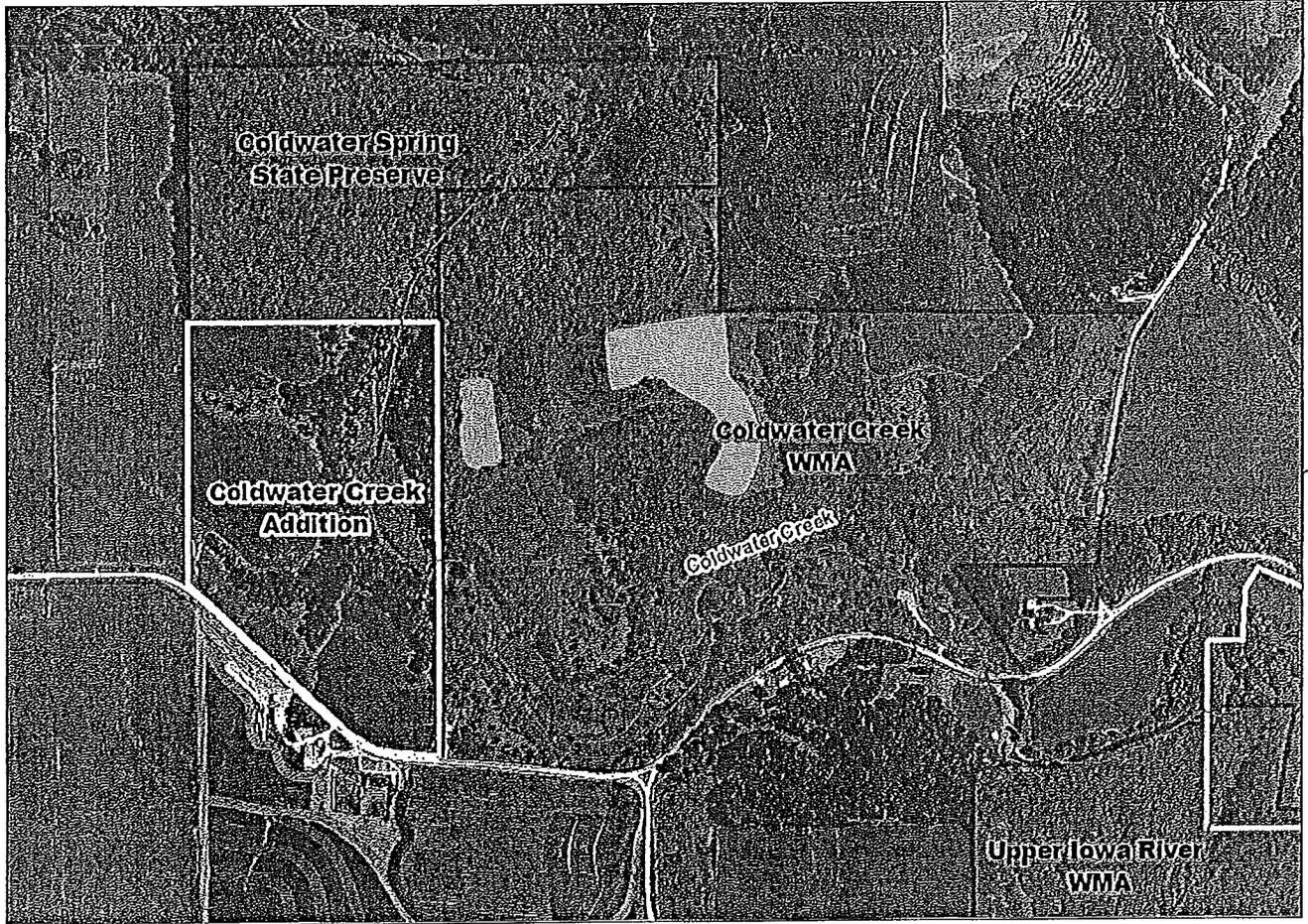
## PROJECT RATING CRITERIA

The general non-point source rating criteria consider the use classification of the receiving waters, water quality of the receiving waters, the project benefits and a tiebreaker. Priority ranking for the projects is based on the total points awarded for all the categories. The greater the total number of points, the higher the ranking. All applications will be rated using 567 Iowa Administrative Code 91.11(455B) General nonpoint source projects rating system (see next page for more details).

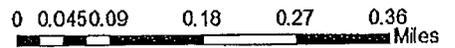
## PROGRAM APPLICATION APPROVAL

**DNR Signature.** By approving this program application, the Department of Natural Resources confirms that the application accurately estimates the cost of the practice, that the practice described is reasonable and proper, and that the proposed project is eligible under the rules of the program.

DNR Signature Name and Title	Signature	Date
Patricia Cafe-Finnegan SRF Coordinator		6/18/14



*Coldwater Creek Addition  
Aerial Map*





**Coldwater Creek Trout Stream that traverses a portion of the Proposed Addition**

**EXHIBIT C  
LOAN REQUEST**

<u>NOTE TYPE</u>	<u>ORIGINAL AMOUNT</u>	<u>RATE</u>	<u>TERM</u>	<u>PURPOSE</u>	<u>SECURITY</u>
Loan	\$365,000	Up to 3%	5 Years	Purchase 56 acres Winneshiek County	REM/ INHF

Decorah Bank and Trust will be the direct lender on this loan with 100% participation purchased by the State Revolving Fund of the Iowa Finance Authority

**Equity**

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Total Assets</b>	\$51,762,912	\$39,834,310	\$35,525,368	\$30,020,963
<b>Total Liabilities</b>	\$20,935,881	\$11,214,332	\$12,366,592	\$10,871,416
<b>Total Net Assets</b>	\$30,827,031	\$28,619,978	\$23,158,776	\$19,149,547

The Iowa Natural Heritage Foundation (INHF) is a member-supported organization whose priorities include protecting priority lands, connecting natural landscapes and natural corridors, restoring natural areas, and engaging Iowans with their natural heritage. INHF, a non-profit conservation group, has helped protect more than 120,000 acres of Iowa's prairies, wetlands, woodlands, greenways, trails and river corridors. Each year INHF works with members, landowners, volunteers, leaders and conservation professionals across Iowa. The INHF staff, which includes 21 full time employees, works closely with at least 100 volunteers annually. There are over 7,000 individuals, families, businesses and organizations who are members of INHF. These members are INHF's main source of volunteer work, project support, new project ideas, landowner contracts, and major planned gifts for the future of Iowa conservation.

From a financial standpoint, INHF is very sound. The foundation reported a net worth of \$31M as of 12/31/12, a \$2M increase over 2011. The net worth of the foundation has historically been quite strong. Liquidity is also a strength of the foundation, with working capital of \$25.1M in 2012. The foundation's total revenue in 2012 was \$16.6M with the majority of income stemming from land project revenues of \$13.9M and contributions and grants of \$2.7M. In conjunction with program service expenses of \$14.4M, this led to a gain on net assets of \$2.2M for the year.



To: IFA Board of Directors  
From: Tammy Nebola, Iowa Ag Program Specialist  
Lori Beary, Community Development Director  
Date: August 22, 2014  
Re: Iowa Agricultural Division Beginning Farmer Loan Program

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## **Consent Agenda**

### **Iowa Agricultural Development Division**

#### **Inducement Resolutions**

##### **AG 14-034 Jason and Alissa Van Maanen**

This is an application for \$212,000 of Agricultural Development Revenue Bonds for Jason and Alissa Van Maanen. The bond will be used: To construct a 1,200 Hd Hog Nursery in Lyon County. The lender is American State Bank in Hull.

- **Need Board action on Resolution AG 14-034A**

##### **AG 14-035 Brock and Danniele Anderson**

This is an application for \$75,000 of Agricultural Development Revenue Bonds for Brock and Danniele Anderson. The bond will be used: To construct a shed for use in cattle operation in Calhoun County. The lender is Security Savings Bank in Farnhamville.

- **Need Board action on Resolution AG 14-035A**

##### **AG 14-036 Brian Schmitt**

This is an application for \$27,000 of Agricultural Development Revenue Bonds for Brian Schmitt. The bond will be used: To purchase Ewes and approximately 200 hd sheep in Plymouth County. The lender is Iowa State Bank in Remsen.

- **Need Board action on Resolution AG 14-036A**

##### **AG 14-037 Patrick J. and Stacy J. Flynn**

This is an application for \$500,000 of Agricultural Development Revenue Bonds for Patrick J. and Stacy J. Flynn. The bond will be used: To purchase approximately 451 acres of agricultural land in Keokuk County. The lender is Libertyville Savings Bank in Keota.

- **Need Board action on Resolution AG 14-037A**

##### **AG 14-038 Cory J. Moore**

This is an application for \$240,000 of Agricultural Development Revenue Bonds for Cory J. Moore. The bond will be used: To purchase approximately 201 acres of agricultural land in Marion County. The lender is U.S. Bank, N.A. in Pella.

- **Need Board action on Resolution AG 14-038A**

## Amending Resolutions

### 04585 Daren M. Rinderknecht, Van Horne

This is a resolution amending a \$189,729 Beginning Farmer Loan to Daren M. Rinderknecht issued 11/28/2011 to lower the payment amount from \$1,458.38 to \$1,049.55 beginning on October 1, 2014 and continuing each 1<sup>st</sup> of the month until maturity of December 1, 2026 at which time a balloon payment will be due consisting of all outstanding principal and interest. All other loan terms will remain the same. Eff. 08/29/2014. The lender is Community Savings Bank in Edgewood.

- **Need Board action on Resolution 04585M**

### 04787 Wesley R. Gould, Hedrick

This is a resolution amending a \$146,600 Beginning Farmer Loan to Wesley R. Gould issued 7/10/2013 to change the Bondholder from County Bank, Sigourney, IA to Central State Bank, Muscatine, IA. Lower the interest rate from 4.00% to 3.50% until July 10, 2019 at which time the rate will adjust to the index of 0.25% above the announced prime rate of New York Prime adjustable every five years. Change the amortization from 30 years to 25 years, which changes the maturity date from July 10, 2043 to July 10, 2039. Due to the decreased amortization the payment amounts will change from \$8,537.91 to \$8,870.82 beginning on July 10, 2015 and continuing each July 10<sup>th</sup> until maturity. The rate ceiling will remain the same at 8.00% and the rate floor will decrease from 4.00% to 3.50%. Eff. 08/15/2014. The lender is Central State Bank in Muscatine.

- **Need Board action on Resolution 04787M**

### 04788 Aaron J. Gould, Washington

This is a resolution amending a \$200,450 Beginning Farmer Loan to Aaron J. Gould issued 7/10/2013 to change the Bondholder from County Bank, Sigourney, IA to Central State Bank, Muscatine, IA. Lower the interest rate from 4.00% to 3.50% until July 10, 2019 at which time the rate will adjust to the index of 0.25% above the announced prime rate of New York Prime adjustable every five years. Change the amortization from 30 years to 25 years, which changes the maturity date from July 10, 2043 to July 10, 2039. Due to the decreased amortization the payment amounts will change from \$11,674.11 to \$12,053.65 beginning on July 10, 2015 and continuing each July 10<sup>th</sup> until maturity. The rate ceiling will remain the same at 8.00% and the rate floor will decrease from 4.00% to 3.50%. Eff. 08/15/2014. The lender is Central State Bank in Muscatine.

- **Need Board action on Resolution 04788M**

## Beginning Farmer Tax Credit Program

### AG-TC #14-09, Beginning Farmer Tax Credit Program

The Agricultural Assets Transfer Tax Credit commonly referred to as the Beginning Farmer Tax Credit (BFTC) program allows agricultural asset owners to earn tax credits for leasing their land, equipment and/or breeding livestock to beginning farmers. Leases must be for terms of 2-5 years. The tax credit for cash rent leases is 7% of the amount of the rent. The tax credit for crop share leases is 17%. There is an additional 1% tax credit if the beginning farmer is also a veteran. Maximum tax credit for any one asset owner is \$50,000 per year. The maximum amount of tax credits allocated cannot be more than \$12 million in any one year. Attached are the BFTC applications reviewed last month. The IADD Board has recommended approval.

**RESOLUTION**  
**AG 14-034A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-034
- 2. Beginning Farmer:** Jason and Alissa Van Maanen  
3251 240th St  
Doon, IA 51235-8034
- 3. Bond Purchaser:** American State Bank  
624 Main St, PO Box 806  
Hull, IA 51239-0806
- 4. Principal Amount:** \$212,000
- 5. Approval Date:** 9/3/2014
- 6. Project:** To construct a 1,200 Hd Hog Nursery

**RESOLUTION**  
**AG 14-035A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number: AG 14-035**
- 2. Beginning Farmer: Brock and Dannie Anderson  
3811 Red Oak Ave  
Lohrville, IA 51453-7577**
- 3. Bond Purchaser: Security Savings Bank  
320 Garfield Ave, PO Box 126  
Farnhamville, IA 50538-0126**
- 4. Principal Amount: \$75,000**
- 5. Approval Date: 9/3/2014**
- 6. Project: To construct a shed for use in cattle operation**

**RESOLUTION**  
**AG 14-036A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-036
- 2. Beginning Farmer:** Brian Schmitt  
22782 Highway 140  
Remsen, IA 51050-8612
- 3. Bond Purchaser:** Iowa State Bank  
17 W 2nd St, PO Box 569  
Remsen, IA 51050-0569
- 4. Principal Amount:** \$27,000
- 5. Approval Date:** 9/3/2014
- 6. Project:** To purchase Ewes and approximately 200 hd sheep

**RESOLUTION**  
**AG 14-037A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-037
- 2. Beginning Farmer:** Patrick J. and Stacy J. Flynn  
604 Ringgold St  
Sigourney, IA 52591-1737
- 3. Bond Purchaser:** Libertyville Savings Bank  
225 E Broadway, PO Box 68  
Keota, IA 52248-0068
- 4. Principal Amount:** \$500,000
- 5. Approval Date:** 9/3/2014
- 6. Project:** To purchase approximately 451 acres of agricultural land

**RESOLUTION**  
**AG 14-038A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-038
- 2. Beginning Farmer:** Cory J. Moore  
999 Story Dr  
Knoxville, IA 50138-8738
- 3. Bond Purchaser:** U.S. Bank, N.A.  
801 Broadway  
Pella, IA 50219
- 4. Principal Amount:** \$240,000
- 5. Approval Date:** 9/3/2014
- 6. Project:** To purchase approximately 201 acres of agricultural land

**RESOLUTION  
04585M**

A Resolution amending an Agricultural Development Revenue Bond.

WHEREAS, the Iowa Agricultural Development Authority, or its successor, the Iowa Finance Authority (the "Authority"), heretofore took action to authorize the issuance of an Agricultural Development Revenue Bond, Project No. 04585 (the "Bond") pursuant to Resolution B relating thereto (the "Bond Resolution") for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

WHEREAS, the Beginning Farmer has requested to re-amortize the payments on the Bond.

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Authority hereby approves lowering the payment on the Bond from \$1,458.38 to \$1,049.55 beginning on October 1, 2014 and continuing each 1st of the month until maturity of December 1, 2026 at which time a balloon payment will be due consisting of all outstanding principal and interest. All other loan terms will remain the same. Eff. 08/29/2014.

Section 2. That the Staff and Officers of the Authority are hereby authorized to amend any and all loan documents as necessary to reflect the aforementioned amendments.

Section 3. That except as amended herein, the Bond and other loan documents are hereby confirmed in all other respects.

Section 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall become effective immediately upon adoption.

Passed and approved on this 3<sup>rd</sup> day of September, 2014.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

September 3, 2014

Scott J. Wegmann  
Community Savings Bank  
101 E Union, PO Box 77  
Edgewood, IA 52042-0077

**Re: Daren M. Rinderknecht – Project No. 04585**

Dear Mr. Wegmann:

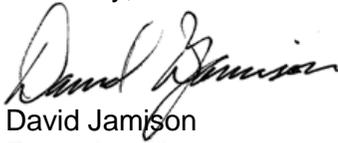
The Iowa Finance Authority (IFA) Board held its monthly meeting on September 3, 2014, and the above project was approved for the proposed loan changes. The changes approved were as follows:

**Lower the payment amount from \$1,458.38 to \$1,049.55 beginning on October 1, 2014 and continuing each 1st of the month until maturity of December 1, 2026 at which time a balloon payment will be due consisting of all outstanding principal and interest. All other loan terms will remain the same. Eff. 08/29/2014**

Attached is a copy of the official board resolution for the above Beginning Farmer Loan Program project. This resolution was recently approved by the Iowa Finance Authority (IFA) board of directors and prepared by our bond attorney.

If you have any questions, please contact our office at 515.725.4900.

Sincerely,



David Jamison  
Executive Director

Enclosure: Board Resolution  
cc: Daren M. Rinderknecht

**RESOLUTION**  
**04787M**

A Resolution amending an Agricultural Development Revenue Bond.

WHEREAS, the Iowa Agricultural Development Authority, or its successor, the Iowa Finance Authority (the "Authority"), heretofore took action to authorize the issuance of an Agricultural Development Revenue Bond, Project No. 04787 (the "Bond") pursuant to Resolution B relating thereto (the "Bond Resolution") for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

WHEREAS, the Beginning Farmer has requested to change the current bondholder and terms on the Bond.

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Authority hereby approves changing the Bondholder on the Bond from County Bank, Sigourney, IA to Central State Bank, Muscatine, IA. Lower the interest rate from 4.00% to 3.50% until July 10, 2019 at which time the rate will adjust to the index of 0.25% above the announced prime rate of New York Prime adjustable every five years. Change the amortization from 30 years to 25 years, which changes the maturity date from July 10, 2043 to July 10, 2039. Due to the decreased amortization the payment amounts will change from \$8,537.91 to \$8,870.82 beginning on July 10, 2015 and continuing each July 10th until maturity. The rate ceiling will remain the same at 8.00% and the rate floor will decrease from 4.00% to 3.50%. Eff. 08/15/2014 .

Section 2. That the Staff and Officers of the Authority are hereby authorized to amend any and all loan documents as necessary to reflect the aforementioned amendments.

Section 3. That except as amended herein, the Bond and other loan documents are hereby confirmed in all other respects.

Section 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall become effective immediately upon adoption.

Passed and approved on this 3<sup>rd</sup> day of September, 2014.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

September 3, 2014

Kyle Hotz  
Central State Bank  
301 Iowa Ave  
Muscatine, IA 52761

**Re: Wesley R. Gould – Project No. 04787**

Dear Mr. Hotz:

The Iowa Finance Authority (IFA) Board held its monthly meeting on September 3, 2014, and the above project was approved for the proposed loan changes. The changes approved were as follows:

**Change the Bondholder from County Bank, Sigourney, IA to Central State Bank, Muscatine, IA. Lower the interest rate from 4.00% to 3.50% until July 10, 2019 at which time the rate will adjust to the index of 0.25% above the announced prime rate of New York Prime adjustable every five years. Change the amortization from 30 years to 25 years, which changes the maturity date from July 10, 2043 to July 10, 2039. Due to the decreased amortization the payment amounts will change from \$8,537.91 to \$8,870.82 beginning on July 10, 2015 and continuing each July 10th until maturity. The rate ceiling will remain the same at 8.00% and the rate floor will decrease from 4.00% to 3.50%. Eff. 08/15/2014**

Attached is a copy of the official board resolution for the above Beginning Farmer Loan Program project. This resolution was recently approved by the Iowa Finance Authority (IFA) board of directors and prepared by our bond attorney.

If you have any questions, please contact our office at 515.725.4900.

Sincerely,

David Jamison  
Executive Director

Enclosure: Board Resolution  
cc: Wesley R. Gould

**RESOLUTION**  
**04788M**

A Resolution amending an Agricultural Development Revenue Bond.

WHEREAS, the Iowa Agricultural Development Authority, or its successor, the Iowa Finance Authority (the "Authority"), heretofore took action to authorize the issuance of an Agricultural Development Revenue Bond, Project No. 04788 (the "Bond") pursuant to Resolution B relating thereto (the "Bond Resolution") for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

WHEREAS, the Beginning Farmer has requested to change the current bondholder and terms on the Bond.

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Authority hereby approves changing the Bondholder on the Bond from County Bank, Sigourney, IA to Central State Bank, Muscatine, IA. Lower the interest rate from 4.00% to 3.50% until July 10, 2019 at which time the rate will adjust to the index of 0.25% above the announced prime rate of New York Prime adjustable every five years. Change the amortization from 30 years to 25 years, which changes the maturity date from July 10, 2043 to July 10, 2039. Due to the decreased amortization the payment amounts will change from \$11,674.11 to \$12,053.65 beginning on July 10, 2015 and continuing each July 10th until maturity. The rate ceiling will remain the same at 8.00% and the rate floor will decrease from 4.00% to 3.50%. Eff. 08/15/2014 .

Section 2. That the Staff and Officers of the Authority are hereby authorized to amend any and all loan documents as necessary to reflect the aforementioned amendments.

Section 3. That except as amended herein, the Bond and other loan documents are hereby confirmed in all other respects.

Section 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall become effective immediately upon adoption.

Passed and approved on this 3<sup>rd</sup> day of September, 2014.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

September 3, 2014

Kyle Hotz  
Central State Bank  
301 Iowa Ave  
Muscatine, IA 52761

**Re: Aaron J. Gould – Project No. 04788**

Dear Mr. Hotz:

The Iowa Finance Authority (IFA) Board held its monthly meeting on September 3, 2014, and the above project was approved for the proposed loan changes. The changes approved were as follows:

**Change the Bondholder from County Bank, Sigourney, IA to Central State Bank, Muscatine, IA. Lower the interest rate from 4.00% to 3.50% until July 10, 2019 at which time the rate will adjust to the index of 0.25% above the announced prime rate of New York Prime adjustable every five years. Change the amortization from 30 years to 25 years, which changes the maturity date from July 10, 2043 to July 10, 2039. Due to the decreased amortization the payment amounts will change from \$11,674.11 to \$12,053.65 beginning on July 10, 2015 and continuing each July 10th until maturity. The rate ceiling will remain the same at 8.00% and the rate floor will decrease from 4.00% to 3.50%. Eff. 08/15/2014**

Attached is a copy of the official board resolution for the above Beginning Farmer Loan Program project. This resolution was recently approved by the Iowa Finance Authority (IFA) board of directors and prepared by our bond attorney.

If you have any questions, please contact our office at 515.725.4900.

Sincerely,

David Jamison  
Executive Director

Enclosure: Board Resolution  
cc: Aaron J. Gould

**RESOLUTION  
AG-TC 14-09**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and 2013 Iowa Acts House File 607, has established the Iowa Agricultural Development Division (“IADD”) to administer the Agricultural Assets Transfer Tax Credit program pursuant to Chapter 175.37 and the Custom Farming Contract Tax Credit pursuant to Chapter 175.38 (together the “Iowa Agricultural Tax Credit Programs”); and

WHEREAS, the Authority offers tax credits under the Iowa Agricultural Tax Credit Programs as a means of encouraging the execution of assets transfer agreements and custom farming contracts with beginning farmers; and

WHEREAS, the Authority has received applications seeking tax credit allocations from the Iowa Agricultural Tax Credit Programs; and

WHEREAS, the IADD has determined the applications meet the eligibility requirements of Chapter 175.37 and 175.38; and

WHEREAS, the IADD Board has recommended approval of the tax credit applications set forth on Exhibit A; and

WHEREAS, the Authority desires to authorize the allocation of tax credits set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes allocating tax credits to the asset owners set forth on Exhibit A, attached hereto, against taxes imposed in chapter 422, division II, as provided in section 422.11M, and in chapter 422, division III, as provided in section 422.33, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to certify said tax credits in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

## Exhibit A

### Agricultural Assets Transfer Tax Credit Program

Project #	Owner Name	Town	Beginning Farmer	Rental Type	Term(Years)	Tax Credit
1559	Viola Bergeson	Yorkville	Brian Henderson	CR	2	\$ 1,300.32
1560	Geraldine Nehotte	Minneapolis	Adam Pederson	CR	3	\$ 2,441.04
1561	Frank & Miego Acreage, LTD	Oelwein	Matthew Baerg	CR	5	\$ 1,592.50
1562	Wayne Brownell Rev Trust	Oelwein	Matthew Baerg	CR	5	\$ 2,852.50
1563	Rosenberger Farm Partnership	Bondurant	Jared Eshelman	CS	3	\$ 4,321.80
1564	James McCartan	Havelock	Matthew McCartan	CS	5	\$ 9,133.13
1565	William Voigt Rev Trust	Graettinger	Justin & Jon Kitzinger	CR	5	\$ 1,890.00
1566	John McLaughlin	Rockwell	Christopher McLaughlin	CS	3	\$ 8,215.55
1567	April Sommervold	Akron	Austin Willer	CR	2	\$ 5,600.00
1568	Debra Marple	Ames	Steven Robert Mason	CR	2	\$ 2,331.00
1569	Clyde & Audrey Marple Rev Trust	Sac City	Steven Robert Mason	CR	2	\$ 2,133.26
1570	Darrin Jensen	Buffalo Center	Derek Jensen	CS	5	\$ 2,190.80
1571	Hobart Farms, Inc.	Emmetsburg	MHF, LLC	CR CS	5	\$ 36,580.94
1572	Douglas Eshelman	Altoona	Jared & Melissa Eshelman	CR	5	\$ 5,544.00
1573	Dale Edsen	Ida Grove	Clint Wellendorf	CR	3	\$ 1,800.79
1574	Duane Ernst	Ida Grove	Clint Wellendorf	CR	3	\$ 3,549.00
1575	Roger Beinhart	Keota	Jodie Beinhart	CR	5	\$ 1,747.20
1576	Loren Zumbach	Coggon	Brett Zumbach Enterprises, Inc.	CS	5	\$ 19,564.18
1577	Carol Behne	Clear Lake	Tyler Behne	CR	5	\$ 1,120.00
1578	Carol Behne	Clear Lake	Tyler Behne	CR	5	\$ 1,652.00
1579	Carol Behne	Clear Lake	Tyler Behne	CR	5	\$ 2,688.00
1580	Gerald Oaks	Webster City	Brian Feldpausch	CR	2	\$ 2,394.00
1581	Jay Mayland/Perry Mayland/Jean Caboth	Buffalo Center	Meinders Stock Farms, LLC	CR	2	\$ 2,464.56
1582	David Stein	Barnum	Nathan Stein	CS	5	\$ 10,364.15
1583	Diane Smith	Curlew	Scott Smith	CS	5	\$ 4,462.55
1584	Eleanor Smith	Emmetsburg	Scott Smith	CS	5	\$ 11,209.14
1585	Tom & Linda Cosad Trust	DeWitt	Peter Whitman	CR	3	\$ 2,824.78
1586	Kelvin Wayne Schenk	Albuquerque	Klopfenstein Ag, LLC	CR	2	\$ 1,545.01
1587	Donald Osborn	Prairie City	Kevin & Aaron Wiggins	CR	2	\$ 2,807.49
1588	Osborn Family Trust	Prairie City	Kevin & Aaron Wiggins	CR	2	\$ 2,779.07
1589	Darell Eugene Schenk Trust	Fort Madison	Klopfenstein Ag, LLC	CR	2	\$ 1,463.19
1590	Randy Husman	Aurelia	Chad Husman	CS	3	\$ 3,553.49
1591	Dennis Hamann	Garnavillo	Neal Wikner	CR	5	\$ 4,252.50
1592	James Trumm	Cascade	Tom & Daniel Welter	CR	5	\$ 5,684.80
1593	Robert Degener	Hudson	Matthew Knudson	CR	5	\$ 8,610.00
1594	Arlin D Yoder	Wellman	Joseph Gent	CS	5	\$ 8,140.49
1595	Gary Kramer	Palmer	Kevin Poppen	CS	2	\$ 8,377.42
1596	Christine Scar	Earlham	Charles Scar	CS	5	\$ 2,943.61
1597	James Clausen	Dexter	Charles Scar	CR	2	\$ 2,884.00
1598	Maple Lane Farms, LTD	Stuart	Cale Gilman	CS	5	\$ 21,454.53
40				26 14		\$ 226,462.79

Denotes Military Veteran



To: David D Jamison  
 From: Steven E Harvey  
 Date: August 21, 2014  
 Re: July 2014 Financial Results

**Financial Performance Targets:**

Housing Agency:	6/30/2011	6/30/2012	6/30/2013	6/30/2014	7/31/2014	Budget
Equity/asset ratio > 12.2%	16.9%	24.4%	31.9%	37.2%	38.6%	39.3%
Return on assets ≥ .80%	3.20%	1.87%	1.64%	1.09%	0.73%	0.80%
Net interest margin > 1.15%	0.78%	1.38%	1.27%	1.70%	2.27%	2.12%
Loans/asset ratio > 80%	63.9%	72.9%	77.0%	74.2%	75.9%	69.1%
Loan & mbs portfolio	897,839,338	776,764,795	670,520,419	575,005,409	567,359,941	511,263,000
SRF loan portfolio	1,079,065,360	1,214,680,727	1,317,080,585	1,395,279,760	1,395,279,760	1,480,923,000
Staff Count	88	90	90	93	94	97

**Housing Agency results –**

**Operating income of \$1,928,987 is \$35,968 or 1.8% unfavorable** to budget.

- Fee income trails budget by \$125,179 attributable to ITG.
- Net interest income exceeds budget by \$263,258 due to favorable MBS sales pricing and interest expense.
- Net grant expense is unfavorable to budget by \$163,199 due mainly to timing issues.

**Operating expense of \$1,446,292 is \$42,755 or 2.9% favorable** to budget.

**Net operating income of \$482,695 is \$6,787 or 1.4% favorable** to budget.

**State Revolving Fund results -**

**YTD operating income of \$676,547 is \$126,626 or 23.0% favorable** to budget.

**YTD operating expense of \$372,319 is \$421,412 or 53.1% favorable** to budget.

**Net operating income of \$304,228 is \$548,038 favorable** to budget.

**Iowa Finance Authority**  
**Summary Financial Information**  
**July 31, 2014**

Housing Agency	Current Month				Year to date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Fee income	737,917	863,096	(125,179)	-14.5%	737,917	863,096	(125,179)	-14.5%
Net interest income	1,484,366	1,221,108	263,258	21.6%	1,484,366	1,221,108	263,258	21.6%
Net grant income	(297,881)	(134,682)	(163,199)	121.2%	(297,881)	(134,682)	(163,199)	121.2%
Other income	4,585	15,433	(10,848)	-70.3%	4,585	15,433	(10,848)	-70.3%
<b>Total operating income</b>	<b>1,928,987</b>	<b>1,964,955</b>	<b>(35,968)</b>	<b>-1.8%</b>	<b>1,928,987</b>	<b>1,964,955</b>	<b>(35,968)</b>	<b>-1.8%</b>
Direct employee expense	878,562	854,884	23,678	2.8%	878,562	854,884	23,678	2.8%
Indirect operating expense	101,866	91,208	10,658	11.7%	101,866	91,208	10,658	11.7%
Marketing expense	29,723	23,331	6,392	27.4%	29,723	23,331	6,392	27.4%
Professional service expense	407,267	391,095	16,172	4.1%	407,267	391,095	16,172	4.1%
Claims and loss expense	18,179	48,340	(30,161)	-62.4%	18,179	48,340	(30,161)	-62.4%
Miscellaneous	10,695	80,189	(69,494)	-86.7%	10,695	80,189	(69,494)	-86.7%
<b>Total operating expense</b>	<b>1,446,292</b>	<b>1,489,047</b>	<b>(42,755)</b>	<b>-2.9%</b>	<b>1,446,292</b>	<b>1,489,047</b>	<b>(42,755)</b>	<b>-2.9%</b>
<b>Net operating income (loss)</b>	<b>482,695</b>	<b>475,908</b>	<b>6,787</b>	<b>1.4%</b>	<b>482,695</b>	<b>475,908</b>	<b>6,787</b>	<b>1.4%</b>
<b>State Revolving Fund</b>								
Fee income	292,366	334,133	(41,767)	-12.5%	292,366	334,133	(41,767)	-12.5%
Net interest income (exp)	331,547	257,018	74,529	29.0%	331,547	257,018	74,529	29.0%
Net grant income (exp)	52,634	(41,230)	93,864	-227.7%	52,634	(41,230)	93,864	-227.7%
Other income	-	-	-	0.0%	-	-	-	0.0%
<b>Total operating income</b>	<b>676,547</b>	<b>549,921</b>	<b>126,626</b>	<b>23.0%</b>	<b>676,547</b>	<b>549,921</b>	<b>126,626</b>	<b>23.0%</b>
Direct employee expense	60,012	73,803	(13,791)	-18.7%	60,012	73,803	(13,791)	-18.7%
Indirect operating expense	7,056	6,800	256	3.8%	7,056	6,800	256	3.8%
Marketing expense	2,119	3,020	(901)	-29.8%	2,119	3,020	(901)	-29.8%
Professional service expense	20,635	27,259	(6,624)	-24.3%	20,635	27,259	(6,624)	-24.3%
Provision for losses	-	-	-	0.0%	-	-	-	0.0%
Miscellaneous	282,497	682,849	(400,352)	-58.6%	282,497	682,849	(400,352)	-58.6%
<b>Total operating expense</b>	<b>372,319</b>	<b>793,731</b>	<b>(421,412)</b>	<b>-53.1%</b>	<b>372,319</b>	<b>793,731</b>	<b>(421,412)</b>	<b>-53.1%</b>
<b>Net operating income (loss)</b>	<b>304,228</b>	<b>(243,810)</b>	<b>548,038</b>	<b>-224.8%</b>	<b>304,228</b>	<b>(243,810)</b>	<b>548,038</b>	<b>-224.8%</b>
<b>Consolidated</b>								
Fee income	1,030,283	1,197,229	(166,946)	-13.9%	1,030,283	1,197,229	(166,946)	-13.9%
Net interest income	1,815,914	1,478,126	337,788	22.9%	1,815,914	1,478,126	337,788	22.9%
Net grant income	(245,247)	(175,912)	(69,335)	39.4%	(245,247)	(175,912)	(69,335)	39.4%
Other income	4,585	15,433	(10,848)	-70.3%	4,585	15,433	(10,848)	0.0%
<b>Total operating income</b>	<b>2,605,535</b>	<b>2,514,876</b>	<b>90,659</b>	<b>3.6%</b>	<b>2,605,535</b>	<b>2,514,876</b>	<b>90,659</b>	<b>3.6%</b>
Direct employee expense	938,575	928,687	9,888	1.1%	938,575	928,687	9,888	1.1%
Indirect employee expense	108,925	98,008	10,917	11.1%	108,925	98,008	10,917	11.1%
Marketing expense	31,842	26,351	5,491	20.8%	31,842	26,351	5,491	20.8%
Professional service expense	427,903	418,354	9,549	2.3%	427,903	418,354	9,549	2.3%
Provision for losses	18,179	48,340	(30,161)	-62.4%	18,179	48,340	(30,161)	-62.4%
Miscellaneous	293,192	763,038	(469,846)	-61.6%	293,192	763,038	(469,846)	-61.6%
<b>Total operating expense</b>	<b>1,818,616</b>	<b>2,282,778</b>	<b>(464,162)</b>	<b>-20.3%</b>	<b>1,818,616</b>	<b>2,282,778</b>	<b>(464,162)</b>	<b>-20.3%</b>
<b>Net operating income (loss)</b>	<b>786,919</b>	<b>232,098</b>	<b>554,821</b>	<b>239.0%</b>	<b>786,919</b>	<b>232,098</b>	<b>554,821</b>	<b>239.0%</b>

Note - minor rounding errors may occur

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES	11,540-	53,609-	21.53	11,540-	53,609-	21.53	1013,330-	1001,790-
ECONOMIC DEVELOPMENT BOND FEES	8,303-	14,583-	56.94	8,303-	14,583-	56.94	175,000-	166,697-
TG FEES	457,174-	596,495-	76.64	457,174-	596,495-	76.64	6285,096-	5827,922-
LIHTC FEES	1,800		.00	1,800		.00	1150,000-	1151,800-
COMPLIANCE FEES - LIHTC, HOME, & 1602	31,480-	31,000-	101.55	31,480-	31,000-	101.55	470,463-	438,983-
SECTION 8 FEES	201,208-	200,165-	100.52	201,208-	200,165-	100.52	2401,985-	2200,777-
MISC FEES	322,377-	301,377-	106.97	322,377-	301,377-	106.97	3863,168-	3540,791-
TOTAL FEE INCOME	1030,282-	1197,229-	86.06	1030,282-	1197,229-	86.06	15359,042-	14328,760-
INVESTMENT INTERST INCOME	425,078-	356,056-	119.39	425,078-	356,056-	119.39	4113,898-	3688,820-
GAIN OR LOSS ON SALE	365,592-	279,231-	130.93	365,592-	279,231-	130.93	3350,772-	2985,180-
REBATE EXPENSE			.00			.00		
MBS INTEREST INCOME	1677,743-	1679,132-	99.92	1677,743-	1679,132-	99.92	18503,869-	16826,126-
LOAN INTEREST INCOME	3365,506-	3350,108-	100.46	3365,506-	3350,108-	100.46	41360,145-	37994,639-
OTHER INTEREST INCOME			.00			.00		
TOTAL INTEREST INCOME	5833,919-	5664,527-	102.99	5833,919-	5664,527-	102.99	67328,684-	61494,765-
BOND INTEREST EXPENSE	4580,752	4635,390	98.82	4580,752	4635,390	98.82	54216,332	49635,580
COST OF ISSUANCE EXPENSE			.00			.00	797,785	797,785
DISCOUNT / PREMIUM AMORT	681,259-	573,729-	118.74	681,259-	573,729-	118.74	6667,999-	5986,740-
REMARKETING FEES	13,773	15,690	87.78	13,773	15,690	87.78	188,280	174,507
LIQUIDITY FEES	64,146	71,039	90.30	64,146	71,039	90.30	852,468	788,322
OTHER INTEREST COSTS	40,593	38,011	106.79	40,593	38,011	106.79	456,127	415,534
TOTAL INTEREST EXPENSE	4018,005	4186,401	95.98	4018,005	4186,401	95.98	49842,993	45824,988
NET INTEREST INCOME	1815,914-	1478,126-	122.85	1815,914-	1478,126-	122.85	17485,691-	15669,777-
NET GRANT EXPENSE (INC)	245,247	125,912	194.78	245,247	125,912	194.78	17673,517-	17918,764-
AUTHORITY FEES			.00			.00		
OTHER INCOME	4,585-	15,433-	29.71	4,585-	15,433-	29.71	315,205-	310,620-
TOTAL OPERATING INCOME	2605,534-	2564,876-	101.59	2605,534-	2564,876-	101.59	50833,455-	48227,921-
OPERATING EXPENSES	1818,621	2282,778	79.67	1818,621	2282,778	79.67	26029,049	24210,428
NET OPERATING INCOME	786,913-	282,098-	278.95	786,913-	282,098-	278.95	24804,406-	24017,493-
NON OPERATING EXPENSES	3947,215		.00	3947,215		.00	68,034-	4015,249-
NET INCOME	3160,302	282,098-	1120.29-	3160,302	282,098-	1120.29-	24872,440-	28032,742-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	1030,283-	1197,229-	86.06	1030,283-	1197,229-	86.06	15359,042-	14328,759-
NET INTEREST INCOME	1815,914-	1478,126-	122.85	1815,914-	1478,126-	122.85	17485,691-	15669,777-
NET GRANT INCOME	245,247	125,912	194.78	245,247	125,912	194.78	17673,517-	17918,764-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME	4,585-	15,433-	29.71	4,585-	15,433-	29.71	315,205-	310,620-
<b>TOTAL OPERATING INCOME</b>	<b>2605,535-</b>	<b>2564,876-</b>	<b>101.59</b>	<b>2605,535-</b>	<b>2564,876-</b>	<b>101.59</b>	<b>50833,455-</b>	<b>48227,920-</b>
SALARY & BENEFITS	906,169	906,875	99.92	906,169	906,875	99.92	10357,098	9450,929
TRAVEL & EDUCATION	32,407	20,891	155.12	32,407	20,891	155.12	281,645	249,238
OFFICE SUPPLIES AND POSTAGE	18,345	15,524	118.17	18,345	15,524	118.17	186,243	167,898
TELEPHONE & DATA	10,831	9,383	115.43	10,831	9,383	115.43	112,670	101,839
FACILITIES	26,909	16,860	159.60	26,909	16,860	159.60	201,796	174,887
EQUIPMENT & SOFTWARE	24,992	27,328	91.45	24,992	27,328	91.45	377,206	352,214
DEPRECIATION	27,848	28,913	96.32	27,848	28,913	96.32	347,003	319,155
STATE INDIRECT	6,680	69,656	9.59	6,680	69,656	9.59	150,446	143,766
MARKETING	31,842	26,351	120.84	31,842	26,351	120.84	317,116	285,274
MARKETING - CONFERENCE HOSTING			.00			.00	205,000	205,000
PS - ACCOUNTING	10,459	14,465	72.31	10,459	14,465	72.31	173,582	163,123
PS - LEGAL	10,502	22,675	46.32	10,502	22,675	46.32	277,201	266,699
PS - COMPLIANCE	19,425	19,298	100.66	19,425	19,298	100.66	231,576	212,151
PS - LIHTC MARKET STUDY			.00			.00	220,000	220,000
PS - BANKING	45,290	48,946	92.53	45,290	48,946	92.53	491,405	446,115
PS - TG FIELD ISSUE FEE	178,840	235,150	76.05	178,840	235,150	76.05	2399,958	2221,118
PS - IT CONSULTING	994	25,318	3.93	994	25,318	3.93	303,843	302,849
PS - MISC CONSULTING	711	10,804	6.58	711	10,804	6.58	129,669	128,958
PS - S8 SERVICES	13,812	13,848	99.74	13,812	13,848	99.74	166,180	152,368
PS - STATE AUDITOR	62,317		.00	62,317		.00	400	61,917-
PS - MISC	85,549	27,250	313.94	85,549	27,250	313.94	287,999	202,450
PROVISION FOR LOSSES	18,179	48,340	37.61	18,179	48,340	37.61	474,883	456,704
MISC EXPENSES	286,512	693,382	41.32	286,512	693,382	41.32	8321,811	8035,299
INDIRECT COST TRANSFER		921	.00		921	.00	7,119	7,119
<b>TOTAL OPERATING EXPENSES</b>	<b>1818,613</b>	<b>2282,178</b>	<b>79.69</b>	<b>1818,613</b>	<b>2282,178</b>	<b>79.69</b>	<b>26021,849</b>	<b>24203,236</b>
<b>NET OPERATING INCOME</b>	<b>786,922-</b>	<b>282,698-</b>	<b>278.36</b>	<b>786,922-</b>	<b>282,698-</b>	<b>278.36</b>	<b>24811,606-</b>	<b>24024,684-</b>
INTERAGENCY GRANTS			.00			.00	68,034-	68,034-
FMVA	3947,215		.00	3947,215		.00		3947,215-
OTHER NON-OPERATING			.00			.00		
<b>NET INCOME</b>	<b>3160,293</b>	<b>282,698-1117.90-</b>		<b>3160,293</b>	<b>282,698-1117.90-</b>		<b>24879,640-</b>	<b>28039,933-</b>

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	93,516,482.32	4,147,188.65-	89,369,293.67	94,153,537.48	94.92
CASH EQUIVALENTS	369,246,818.73	5,366,939.25	374,613,757.98	356,632,431.71	105.04
INVESTMENTS	130,378,157.18	25,900,416.78-	104,477,740.40	198,707,809.32	52.58
INV FMVA	1,709,065.21	315,431.36-	1,393,633.85	1,318,391.74	105.71
MORTGAGE BACKED SECURITIES	429,448,887.71	8,633,308.01-	420,815,579.70	522,843,643.35	80.49
MBS FMVA	34,969,697.48	3,631,784.55-	31,337,912.93	33,288,203.24	94.14
OTHER HOUSING LOANS	145,556,521.12	987,840.31	146,544,361.43	137,659,438.87	106.45
SRF LOANS	1,395,279,760.44	5,244,429.78	1,400,524,190.22	1,328,301,707.91	105.44
INTEREST RECEIVABLE	6,368,480.31	3,026,948.63	9,395,428.94	9,587,642.40	98.00
CAPITAL ASSETS	5,312,064.98	52,008.85	5,364,073.83	4,991,595.51	107.46
PROVISION FOR ACCUMULATED DEPRECIATION	2,295,899.83-	27,848.07-	2,323,747.90-	1,997,686.51-	116.32
TRADE ACCOUNTS RECEIVABLE	489,403.45	205,668.10-	283,735.35	364,823.06	77.77
OTHER ASSETS	8,354,306.60	365,693.74	8,720,000.34	10,169,529.99	85.75
DEFERRED DERIVATIVES	37,757,755.46		37,757,755.46	41,124,640.68	91.81
<b>TOTAL ASSETS</b>	<b>2,656,091,501.16</b>	<b>27,817,784.96-</b>	<b>2,628,273,716.20</b>	<b>2,737,145,708.75</b>	<b>96.02</b>
<b>BOND PAYABLE</b>	<b>1,427,190,486.08-</b>	<b>23,287,329.86</b>	<b>1,403,903,156.22-</b>	<b>1,544,982,488.82-</b>	<b>90.87</b>
INTEREST PAYABLE	22,581,751.09-	1,134,945.10	21,446,805.99-	20,304,647.49-	105.63
DEFERRED INCOME	3,531,634.41-	5,425.62	3,526,208.79-	3,806,509.41-	92.64
REBATES OWED	29,076.94-		29,076.94-	145,257.42-	20.02
RESERVE FOR LOSSES	5,531,976.77-	12,675.07-	5,544,651.84-	5,173,040.88-	107.18
ACCOUNTS PAYABLE & OTHER CURR LIAB	25,861,776.44-	242,458.66	25,619,317.78-	25,695,170.97-	99.70
DERIVATIVE LIABILITY	41,026,263.93-		41,026,263.93-	41,653,089.63-	98.50
<b>TOTAL LIABILITIES</b>	<b>1,525,752,965.66-</b>	<b>24,657,484.17</b>	<b>1,501,095,481.49-</b>	<b>1,641,760,204.62-</b>	<b>91.43</b>
FUND BALANCE	1,130,338,535.50-		1,130,338,535.50-	1,098,680,597.77-	102.88
TRANSFER BETWEEN FUNDS					
CURRENT YEAR EARNINGS		3,160,300.79	3,160,300.79	3,295,093.64	95.91
<b>TOTAL NET ASSETS</b>	<b>1,130,338,535.50-</b>	<b>3,160,300.79</b>	<b>1,127,178,234.71-</b>	<b>1,095,385,504.13-</b>	<b>102.90</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,656,091,501.16-</b>	<b>27,817,784.96</b>	<b>2,628,273,716.20-</b>	<b>2,737,145,708.75-</b>	<b>96.02</b>

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES		1,110-	.00		1,110-	.00	13,330-	13,330-
ECONOMIC DEVELOPMENT BOND FEES	8,303-	14,583-	56.94	8,303-	14,583-	56.94	175,000-	166,697-
TG FEES	457,174-	596,495-	76.64	457,174-	596,495-	76.64	6285,096-	5827,922-
LIHTC FEES	1,800		.00	1,800		.00	1150,000-	1151,800-
COMPLIANCE FEES - LIHTC, HOME, & 1602	31,480-	31,000-	101.55	31,480-	31,000-	101.55	470,463-	438,983-
SECTION 8 FEES	201,208-	200,165-	100.52	201,208-	200,165-	100.52	2401,985-	2200,777-
MISC FEES	41,551-	19,743-	210.46	41,551-	19,743-	210.46	332,347-	290,796-
TOTAL FEE INCOME	737,916-	863,096-	85.50	737,916-	863,096-	85.50	10828,221-	10090,305-
INVESTMENT INTERST INCOME	347,099-	285,190-	121.71	347,099-	285,190-	121.71	3374,824-	3027,725-
GAIN OR LOSS ON SALE	365,592-	279,231-	130.93	365,592-	279,231-	130.93	3350,772-	2985,180-
REBATE EXPENSE			.00			.00		
MBS INTEREST INCOME	1677,743-	1679,132-	99.92	1677,743-	1679,132-	99.92	18503,869-	16826,126-
LOAN INTEREST INCOME	310,807-	324,814-	95.69	310,807-	324,814-	95.69	3866,145-	3555,338-
OTHER INTEREST INCOME			.00			.00		
TOTAL INTEREST INCOME	2701,241-	2568,367-	105.17	2701,241-	2568,367-	105.17	29095,610-	26394,369-
BOND INTEREST EXPENSE	1240,276	1294,914	95.78	1240,276	1294,914	95.78	13921,288	12681,012
COST OF ISSUANCE EXPENSE			.00			.00		
DISCOUNT / PREMIUM AMORT	103,903-	34,384-	302.18	103,903-	34,384-	302.18	412,608-	308,705-
REMARKETING FEES	13,773	15,690	87.78	13,773	15,690	87.78	188,280	174,507
LIQUIDITY FEES	64,146	71,039	90.30	64,146	71,039	90.30	852,468	788,322
OTHER INTEREST COSTS	2,583		.00	2,583		.00		2,583-
TOTAL INTEREST EXPENSE	1216,875	1347,259	90.32	1216,875	1347,259	90.32	14549,428	13332,553
NET INTEREST INCOME	1484,366-	1221,108-	121.56	1484,366-	1221,108-	121.56	14546,182-	13061,816-
NET GRANT EXPENSE (INC)	297,881	84,682	351.76	297,881	84,682	351.76	3209,663	2911,782
AUTHORITY FEES			.00			.00		
OTHER INCOME	4,585-	15,433-	29.71	4,585-	15,433-	29.71	315,205-	310,620-
TOTAL OPERATING INCOME	1928,986-	2014,955-	95.73	1928,986-	2014,955-	95.73	22479,945-	20550,959-
OPERATING EXPENSES	1446,299	1489,047	97.13	1446,299	1489,047	97.13	16558,748	15112,449
NET OPERATING INCOME	482,687-	525,908-	91.78	482,687-	525,908-	91.78	5921,197-	5438,510-
NON OPERATING EXPENSES	3781,607		.00	3781,607		.00	68,034-	3849,641-
NET INCOME	3298,920	525,908-	627.28-	3298,920	525,908-	627.28-	5989,231-	9288,151-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	737,917-	863,096-	85.50	737,917-	863,096-	85.50	10828,221-	10090,304-
NET INTEREST INCOME	1484,366-	1221,108-	121.56	1484,366-	1221,108-	121.56	14546,182-	13061,816-
NET GRANT INCOME	297,881	84,682	351.76	297,881	84,682	351.76	3209,663	2911,782
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME	4,585-	15,433-	29.71	4,585-	15,433-	29.71	315,205-	310,620-
<b>TOTAL OPERATING INCOME</b>	<b>1928,987-</b>	<b>2014,955-</b>	<b>95.73</b>	<b>1928,987-</b>	<b>2014,955-</b>	<b>95.73</b>	<b>22479,945-</b>	<b>20550,958-</b>
SALARY & BENEFITS	854,881	843,320	101.37	854,881	843,320	101.37	9631,939	8777,058
TRAVEL & EDUCATION	31,938	20,391	156.63	31,938	20,391	156.63	275,645	243,707
OFFICE SUPPLIES AND POSTAGE	17,730	14,984	118.33	17,730	14,984	118.33	179,763	162,033
TELEPHONE & DATA	10,441	9,023	115.72	10,441	9,023	115.72	108,350	97,909
FACILITIES	25,803	16,160	159.67	25,803	16,160	159.67	193,396	167,593
EQUIPMENT & SOFTWARE	24,720	27,188	90.92	24,720	27,188	90.92	375,526	350,806
DEPRECIATION	23,172	23,853	97.15	23,172	23,853	97.15	286,283	263,111
STATE INDIRECT	6,400	69,366	9.23	6,400	69,366	9.23	146,966	140,566
MARKETING	29,723	23,331	127.40	29,723	23,331	127.40	280,876	251,153
MARKETING - CONFERENCE HOSTING			.00			.00	205,000	205,000
PS - ACCOUNTING	10,028	14,025	71.50	10,028	14,025	71.50	168,302	158,274
PS - LEGAL	10,502	17,305	60.69	10,502	17,305	60.69	212,761	202,259
PS - COMPLIANCE	19,425	19,298	100.66	19,425	19,298	100.66	231,576	212,151
PS - LIHTC MARKET STUDY			.00			.00	220,000	220,000
PS - BANKING	25,087	27,607	90.87	25,087	27,607	90.87	229,858	204,771
PS - TG FIELD ISSUE FEE	178,840	235,150	76.05	178,840	235,150	76.05	2399,958	2221,118
PS - IT CONSULTING	994	25,208	3.94	994	25,208	3.94	302,523	301,529
PS - MISC CONSULTING	711	10,804	6.58	711	10,804	6.58	129,669	128,958
PS - S8 SERVICES	13,812	13,848	99.74	13,812	13,848	99.74	166,180	152,368
PS - STATE AUDITOR	62,317		.00	62,317		.00	400	61,917-
PS - MISC	85,549	27,250	313.94	85,549	27,250	313.94	285,499	199,950
PROVISION FOR LOSSES	18,179	48,340	37.61	18,179	48,340	37.61	499,883	481,704
MISC EXPENSES	4,295	10,823	39.68	4,295	10,823	39.68	131,067	126,772
INDIRECT COST TRANSFER	8,256-	8,827-	93.53	8,256-	8,827-	93.53	109,872-	101,616-
<b>TOTAL OPERATING EXPENSES</b>	<b>1446,291</b>	<b>1488,447</b>	<b>97.17</b>	<b>1446,291</b>	<b>1488,447</b>	<b>97.17</b>	<b>16551,548</b>	<b>15105,257</b>
<b>NET OPERATING INCOME</b>	<b>482,696-</b>	<b>526,508-</b>	<b>91.68</b>	<b>482,696-</b>	<b>526,508-</b>	<b>91.68</b>	<b>5928,397-</b>	<b>5445,701-</b>
INTERAGENCY GRANTS			.00			.00	68,034-	68,034-
FMVA	3781,607		.00	3781,607		.00		3781,607-
OTHER NON-OPERATING			.00			.00		
<b>NET INCOME</b>	<b>3298,911</b>	<b>526,508-</b>	<b>626.56-</b>	<b>3298,911</b>	<b>526,508-</b>	<b>626.56-</b>	<b>5996,431-</b>	<b>9295,342-</b>

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	31,597,984.73	2,455,014.86-	29,142,969.87	33,355,020.69	87.37
CASH EQUIVALENTS	134,604,238.40	17,690,031.49-	116,914,206.91	112,112,014.13	104.28
INVESTMENTS	19,651,910.19	552,092.11	20,204,002.30	18,799,459.39	107.47
INV FMVA	1,552,685.14	149,823.26-	1,402,861.88	1,496,180.25	93.76
MORTGAGE BACKED SECURITIES	429,448,887.71	8,633,308.01-	420,815,579.70	522,843,643.35	80.49
MBS FMVA	34,969,697.48	3,631,784.55-	31,337,912.93	33,288,203.24	94.14
OTHER HOUSING LOANS	145,556,521.12	987,840.31	146,544,361.43	137,659,438.87	106.45
SRF LOANS					
INTEREST RECEIVABLE	2,729,473.81	230,455.19	2,959,929.00	3,217,572.06	91.99
CAPITAL ASSETS	5,179,564.98	52,008.85	5,231,573.83	4,859,095.51	107.67
PROVISION FOR ACCUMULATED DEPRECIATION	2,233,330.31-	24,167.51-	2,257,497.82-	1,975,603.15-	114.27
TRADE ACCOUNTS RECEIVABLE	145,278.93	8,183.40	153,462.33	202,728.95	75.70
OTHER ASSETS	7,991,255.49	169,076.53	8,160,332.02	9,615,344.93	84.87
DEFERRED DERIVATIVES	37,757,755.46		37,757,755.46	41,124,640.68	91.81
<b>TOTAL ASSETS</b>	<b>848,951,923.13</b>	<b>30,584,473.29-</b>	<b>818,367,449.84</b>	<b>916,597,738.90</b>	<b>89.28</b>
<b>BOND PAYABLE</b>	<b>446,709,982.74-</b>	<b>22,747,985.06</b>	<b>423,961,997.68-</b>	<b>525,519,052.53-</b>	<b>80.67</b>
INTEREST PAYABLE	5,879,372.63-	4,475,420.87	1,403,951.76-	1,867,285.96-	75.19
DEFERRED INCOME	3,531,634.41-	5,425.62	3,526,208.79-	3,806,509.41-	92.64
REBATES OWED	29,076.94-		29,076.94-	29,076.94-	100.00
RESERVE FOR LOSSES	5,531,976.77-	12,675.07-	5,544,651.84-	5,173,040.88-	107.18
ACCOUNTS PAYABLE & OTHER CURR LIAB	24,679,806.03-	69,397.92	24,610,408.11-	24,618,360.34-	99.97
DERIVATIVE LIABILITY	41,026,263.93-		41,026,263.93-	41,653,089.63-	98.50
<b>TOTAL LIABILITIES</b>	<b>527,388,113.45-</b>	<b>27,285,554.40</b>	<b>500,102,559.05-</b>	<b>602,666,415.69-</b>	<b>82.98</b>
FUND BALANCE	321,563,809.68-		321,563,809.68-	316,470,453.57-	101.61
TRANSFER BETWEEN FUNDS					
CURRENT YEAR EARNINGS		3,298,918.89	3,298,918.89	2,539,130.36	129.92
<b>TOTAL NET ASSETS</b>	<b>321,563,809.68-</b>	<b>3,298,918.89</b>	<b>318,264,890.79-</b>	<b>313,931,323.21-</b>	<b>101.38</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>848,951,923.13-</b>	<b>30,584,473.29</b>	<b>818,367,449.84-</b>	<b>916,597,738.90-</b>	<b>89.28</b>

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES	11,540-	52,499-	21.98	11,540-	52,499-	21.98	1000,000-	988,460-
ECONOMIC DEVELOPMENT BOND FEES								
TG FEES								
LIHTC FEES								
COMPLIANCE FEES - LIHTC, HOME, & 1602								
SECTION 8 FEES								
MISC FEES	280,826-	281,634-	99.71	280,826-	281,634-	99.71	3530,821-	3249,995-
TOTAL FEE INCOME	292,366-	334,133-	87.50	292,366-	334,133-	87.50	4530,821-	4238,455-
INVESTMENT INTERST INCOME	77,979-	70,866-	110.04	77,979-	70,866-	110.04	739,074-	661,095-
GAIN OR LOSS ON SALE			.00			.00		
REBATE EXPENSE			.00			.00		
MBS INTEREST INCOME			.00			.00		
LOAN INTEREST INCOME	3054,699-	3025,294-	100.97	3054,699-	3025,294-	100.97	37494,000-	34439,301-
OTHER INTEREST INCOME								
TOTAL INTEREST INCOME	3132,678-	3096,160-	101.18	3132,678-	3096,160-	101.18	38233,074-	35100,396-
BOND INTEREST EXPENSE	3340,475	3340,476	100.00	3340,475	3340,476	100.00	40295,044	36954,569
COST OF ISSUANCE EXPENSE			.00			.00	797,785	797,785
DISCOUNT / PREMIUM AMORT	577,355-	539,345-	107.05	577,355-	539,345-	107.05	6255,391-	5678,036-
REMARKETING FEES								
LIQUIDITY FEES								
OTHER INTEREST COSTS	38,010	38,011	100.00	38,010	38,011	100.00	456,127	418,117
TOTAL INTEREST EXPENSE	2801,130	2839,142	98.66	2801,130	2839,142	98.66	35293,565	32492,435
NET INTEREST INCOME	331,548-	257,018-	129.00	331,548-	257,018-	129.00	2939,509-	2607,961-
NET GRANT EXPENSE (INC)	52,634-	41,230	127.66-	52,634-	41,230	127.66-	20883,180-	20830,546-
AUTHORITY FEES			.00			.00		
OTHER INCOME			.00			.00		
TOTAL OPERATING INCOME	676,548-	549,921-	123.03	676,548-	549,921-	123.03	28353,510-	27676,962-
OPERATING EXPENSES	372,322	793,731	46.91	372,322	793,731	46.91	9470,301	9097,979
NET OPERATING INCOME	304,226-	243,810	124.78-	304,226-	243,810	124.78-	18883,209-	18578,983-
NON OPERATING EXPENSES	165,608		.00	165,608		.00		165,608-
NET INCOME	138,618-	243,810	56.85-	138,618-	243,810	56.85-	18883,209-	18744,591-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	292,366-	334,133-	87.50	292,366-	334,133-	87.50	4530,821-	4238,455-
NET INTEREST INCOME	331,547-	257,018-	129.00	331,547-	257,018-	129.00	2939,509-	2607,962-
NET GRANT INCOME	52,634-	41,230	127.66-	52,634-	41,230	127.66-	20883,180-	20830,546-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME			.00			.00		
<b>TOTAL OPERATING INCOME</b>	<b>676,547-</b>	<b>549,921-</b>	<b>123.03</b>	<b>676,547-</b>	<b>549,921-</b>	<b>123.03</b>	<b>28353,510-</b>	<b>27676,963-</b>
SALARY & BENEFITS	51,287	63,555	80.70	51,287	63,555	80.70	725,159	673,872
TRAVEL & EDUCATION	469	500	93.80	469	500	93.80	6,000	5,531
OFFICE SUPPLIES AND POSTAGE	615	540	113.89	615	540	113.89	6,480	5,865
TELEPHONE & DATA	389	360	108.06	389	360	108.06	4,320	3,931
FACILITIES	1,105	700	157.86	1,105	700	157.86	8,400	7,295
EQUIPMENT & SOFTWARE	272	140	194.29	272	140	194.29	1,680	1,408
DEPRECIATION	4,675	5,060	92.39	4,675	5,060	92.39	60,720	56,045
STATE INDIRECT	280	290	96.55	280	290	96.55	3,480	3,200
MARKETING	2,119	3,020	70.17	2,119	3,020	70.17	36,240	34,121
MARKETING - CONFERENCE HOSTING								
PS - ACCOUNTING	431	440	97.95	431	440	97.95	5,280	4,849
PS - LEGAL		5,370	.00		5,370	.00	64,440	64,440
PS - COMPLIANCE								
PS - LIHTC MARKET STUDY								
PS - BANKING	20,203	21,339	94.68	20,203	21,339	94.68	261,547	241,344
PS - TG FIELD ISSUE FEE								
PS - IT CONSULTING		110	.00		110	.00	1,320	1,320
PS - MISC CONSULTING			.00			.00		
PS - S8 SERVICES								
PS - STATE AUDITOR								
PS - MISC			.00			.00	2,500	2,500
PROVISION FOR LOSSES			.00			.00	25,000-	25,000-
MISC EXPENSES	282,216	682,559	41.35	282,216	682,559	41.35	8190,744	7908,528
INDIRECT COST TRANSFER	8,256	9,748	84.69	8,256	9,748	84.69	116,991	108,735
<b>TOTAL OPERATING EXPENSES</b>	<b>372,317</b>	<b>793,731</b>	<b>46.91</b>	<b>372,317</b>	<b>793,731</b>	<b>46.91</b>	<b>9470,301</b>	<b>9097,984</b>
<b>NET OPERATING INCOME</b>	<b>304,230-</b>	<b>243,810</b>	<b>124.78-</b>	<b>304,230-</b>	<b>243,810</b>	<b>124.78-</b>	<b>18883,209-</b>	<b>18578,979-</b>
INTERAGENCY GRANTS								
FMVA	165,608		.00	165,608		.00		165,608-
OTHER NON-OPERATING			.00			.00		
<b>NET INCOME</b>	<b>138,622-</b>	<b>243,810</b>	<b>56.86-</b>	<b>138,622-</b>	<b>243,810</b>	<b>56.86-</b>	<b>18883,209-</b>	<b>18744,587-</b>

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	61,918,497.59	1,692,173.79-	60,226,323.80	60,798,516.79	99.06
CASH EQUIVALENTS	234,642,580.33	23,056,970.74	257,699,551.07	244,520,417.58	105.39
INVESTMENTS	110,726,246.99	26,452,508.89-	84,273,738.10	179,908,349.93	46.84
INV FMVA	156,380.07	165,608.10-	9,228.03-	177,788.51-	5.19
MORTGAGE BACKED SECURITIES					
MBS FMVA					
OTHER HOUSING LOANS					
SRF LOANS	1,395,279,760.44	5,244,429.78	1,400,524,190.22	1,328,301,707.91	105.44
INTEREST RECEIVABLE	3,639,006.50	2,796,493.44	6,435,499.94	6,370,070.34	101.03
CAPITAL ASSETS	132,500.00		132,500.00	132,500.00	100.00
PROVISION FOR ACCUMULATED DEPRECIATION	62,569.52-	3,680.56-	66,250.08-	22,083.36-	300.00
TRADE ACCOUNTS RECEIVABLE	344,124.52	213,851.50-	130,273.02	162,094.11	80.37
OTHER ASSETS	363,051.11	196,617.21	559,668.32	554,185.06	100.99
DEFERRED DERIVATIVES					
<b>TOTAL ASSETS</b>	<b>1,807,139,578.03</b>	<b>2,766,688.33</b>	<b>1,809,906,266.36</b>	<b>1,820,547,969.85</b>	<b>99.42</b>
BOND PAYABLE	980,480,503.34-	539,344.80	979,941,158.54-	1,019,463,436.29-	96.12
INTEREST PAYABLE	16,702,378.46-	3,340,475.77-	20,042,854.23-	18,437,361.53-	108.71
DEFERRED INCOME				116,180.48-	
REBATES OWED					
RESERVE FOR LOSSES					
ACCOUNTS PAYABLE & OTHER CURR LIAB	1,181,970.41-	173,060.74	1,008,909.67-	1,076,810.63-	93.69
DERIVATIVE LIABILITY					
<b>TOTAL LIABILITIES</b>	<b>998,364,852.21-</b>	<b>2,628,070.23-</b>	<b>1,000,992,922.44-</b>	<b>1,039,093,788.93-</b>	<b>96.33</b>
FUND BALANCE	808,774,725.82-		808,774,725.82-	782,210,144.20-	103.40
TRANSFER BETWEEN FUNDS					
CURRENT YEAR EARNINGS		138,618.10-	138,618.10-	755,963.28	18.34-
<b>TOTAL NET ASSETS</b>	<b>808,774,725.82-</b>	<b>138,618.10-</b>	<b>808,913,343.92-</b>	<b>781,454,180.92-</b>	<b>103.51</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,807,139,578.03-</b>	<b>2,766,688.33-</b>	<b>1,809,906,266.36-</b>	<b>1,820,547,969.85-</b>	<b>99.42</b>

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
Grant Income - Private Funds								
Rural Home DPA (FHLB)			.00			.00		
Real Estate Owned DPA (FHLB)			.00			.00		
-----								
Total Private Sector Funds			.00			.00		
Grant Income - State Funds								
Approp, RETA Int, RETT	845,976-	838,910-	100.84	845,976-	838,910-	100.84	6710,750-	5864,774-
HCBS Rent Subsidy	56,435-	54,833-	102.92	56,435-	54,833-	102.92	658,000-	601,565-
Military DPA	121,527-	208,333-	58.33	121,527-	208,333-	58.33	2500,000-	2378,473-
Shelter Assistance Fund			.00			.00		
Aftercare Rent Subsidy	6,683-	4,000-	167.08	6,683-	4,000-	167.08	48,000-	41,317-
Wastewater Treatment Grants			.00			.00		
Jumpstart			.00			.00		
IJOBS - FY10 Programs	30,535-		.00	30,535-		.00		30,535
IJOBS - Administration			.00			.00		
IJOBS - FY11 Programs		1100,000-	.00		1100,000-	.00	13200,000-	13200,000-
Iowans Helping Iowans			.00			.00		
Mortgage Settlement Funds	258,696-		.00	258,696-		.00	1137,600-	878,904-
Misc State Funds	9,660-	1,000-	966.00	9,660-	1,000-	966.00	62,000-	52,340-
-----								
Total State Funds	1329,512-	2207,076-	60.24	1329,512-	2207,076-	60.24	24316,350-	22986,838-
Grant Income - Federal Funds								
Telework & AFP (84.235T & 84.224C)			.00			.00		
Hsg Ops Persons with Aids (14.241)	26,462-		.00	26,462-		.00	371,088-	344,626-
Rural Comm Dev Initiative (10.446)			.00			.00		
Emergency Shelter Grant Prog (14.231)	177,815-	133,051-	133.64	177,815-	133,051-	133.64	1834,049-	1656,234-
HSG Counseling Assistance (14.169)			.00			.00		
Shelter Care Plus (14.238)			.00			.00		
National Foreclosue Mit. (21.000)			.00			.00	582,700-	582,700-
LIHTC S1602 (21.XXX)			.00			.00		
TCAP (14.258)			.00			.00		
Homelessness Prevention (14.257)			.00			.00		
HOME (14.239)	413,490-	673,252-	61.42	413,490-	673,252-	61.42	6226,728-	5813,238-
SSBG (93.667)			.00			.00		
CDBG (14.228)			.00			.00		
-----								
Total Federal Funds	617,767-	806,303-	76.62	617,767-	806,303-	76.62	9014,565-	8396,798-
-----								
Total Grant Income	1947,279-	3013,379-	64.62	1947,279-	3013,379-	64.62	33330,915-	31383,636-
=====								

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
Grant Expense - IFA Funds								
Serv Acq Fee / Release Premium	4,400-		.00	4,400-		.00		4,400
FirstHome Plus	331,206	332,928	99.48	331,206	332,928	99.48	4027,400	3696,194
Misc IFA Grants		4,200	.00		4,200	.00	50,400	50,400
<b>Total IFA Grants</b>	<b>326,806</b>	<b>337,128</b>	<b>96.94</b>	<b>326,806</b>	<b>337,128</b>	<b>96.94</b>	<b>4077,800</b>	<b>3750,994</b>
Grant Expense - Private Funds								
Rural Home DPA (FHLB)			.00			.00		
Real Estate Owned DPA (FHLB)			.00			.00		
<b>Total Private Sector Grant Funds</b>			<b>.00</b>			<b>.00</b>		
Grant Expense - State Funds								
State Housing Trust Fund	625,360	500,000	125.07	625,360	500,000	125.07	6000,000	5374,640
HCBS Rent Subsidy	53,584	50,992	105.08	53,584	50,992	105.08	611,907	558,323
Military DPA	121,527	208,333	58.33	121,527	208,333	58.33	2500,000	2378,473
Shelter Assistance Fund	90,675	80,771	112.26	90,675	80,771	112.26	767,668	676,993
Aftercare Rent Subsidy	6,683	4,000	167.08	6,683	4,000	167.08	48,000	41,317
Wastewater Treatment Grants			.00			.00		
Jumpstart			.00			.00		
IJOBS - FY10 Programs	30,535		.00	30,535		.00		30,535-
IJOBS - FY11 Programs		1100,000	.00		1100,000	.00	13200,000	13200,000
Iowans Helping Iowans			.00			.00		
Mortgage Settlement Fund	252,827	88,166	286.76	252,827	88,166	286.76	1058,000	805,173
Misc State Funds			.00			.00		
<b>Total State Funds</b>	<b>1181,191</b>	<b>2032,262</b>	<b>58.12</b>	<b>1181,191</b>	<b>2032,262</b>	<b>58.12</b>	<b>24185,575</b>	<b>23004,384</b>
Grant Expense - Federal Funds								
Telework & AFP (84.235T & 84.224C)			.00			.00		
Hsg Ops Persons with Aids (14.241)	26,462		.00	26,462		.00	371,088	344,626
Rural Comm Dev Initiative (10.446)			.00			.00		
Emergency Shelter Grant Prog (14.231)	177,815	128,394	138.49	177,815	128,394	138.49	1769,857	1592,042
HSG Counseling Assistance (14.169)			.00			.00		
Shelter Care Plus (14.238)			.00			.00		
National Foreclosure Mit. (21.000)	108,228	44,350	244.03	108,228	44,350	244.03	532,202	423,974
LIHTC S1602 (21.XXX)			.00			.00		
TCAP (14.258)			.00			.00		
Homeless Prev & RR (14.257)			.00			.00		
HOME (14.239)	424,660	605,927	70.08	424,660	605,927	70.08	5604,056	5179,396
SSBG (93.667)			.00			.00		
CDBG (14.228)			.00			.00		
<b>Total Federal Funds</b>	<b>737,165</b>	<b>778,671</b>	<b>94.67</b>	<b>737,165</b>	<b>778,671</b>	<b>94.67</b>	<b>8277,203</b>	<b>7540,038</b>
<b>Total Grant Expense</b>	<b>2245,162</b>	<b>3148,061</b>	<b>71.32</b>	<b>2245,162</b>	<b>3148,061</b>	<b>71.32</b>	<b>36540,578</b>	<b>34295,416</b>



TO: Iowa Finance Authority Board  
FROM: Deborah Haugh, Director Single Family Production  
DATE: September 3, 2014  
SUBJECT: Fannie Mae HFA Preferred Risk Sharing Program

A resolution is before the board requesting authorization to add Fannie Mae's HFA Preferred Risk Sharing product to the suite of products available to borrowers and lenders using IFA as an investor.

As an investor in mortgages, IFA has discretion to determine which types of products it will purchase from participating lenders. Currently, IFA allows the use of government insured products, including FHA, VA, and RD loans, as well as the HFA Preferred conventional loan product. With this resolution, staff is requesting authorization to add the HFA Preferred Risk Sharing product to the types of mortgages that can be sold to IFA by participating lenders. Staff recommends adding this conventional product because it provides meaningful affordability enhancements and lower entry costs for borrowers while also offering the potential for greater profitability for IFA (mainly through increased volume) with minimal additional risk.

## Background

In 2011, Fannie Mae introduced two new mortgage products (HFA Preferred and HFA Preferred Risk Sharing) that were exclusively available to state Housing Finance Agencies (HFAs) because of our strong track record in financing affordable housing. These products offer the following advantages over other products:

- Fannie Mae set a lower secondary marketing fee for this product (.25%) compared with other conventional products (.75%). Secondary marketing fees are typically passed through to the borrower so a lower fee translates to a more affordable product.
- Fannie Mae allows a higher loan-to-value (LTV) ratio for these products - up to 97% LTV whereas other conventional products are restricted to 95% LTV. This reduces the amount of cash a borrower is required to bring to closing, lowering entry cost barriers and helping IFA's entry cost assistance funds go further.
- Since Fannie Mae only permits these products to be offered by state HFAs, in Iowa these products can only be made available through IFA.
- Fannie Mae allows increased flexibility for mortgage insurance with HFA Preferred and the Risk Sharing product is structured without mortgage insurance which results in a lower monthly payment for the borrower compared with FHA insured products. (A sample comparison of monthly payments for each product is provided in Table 1.0 at the end of this memo.)



At the time the products were launched by Fannie Mae, IFA added the HFA Preferred product to its products but was precluded from offering the HFA Preferred Risk Sharing product because it was only available to HFAs who were Fannie Mae sellers or seller/servicers. In a few instances Fannie Mae allowed certain HFAs, who did not have the seller/servicer status, to offer the HFA Preferred Risk Sharing product through the HFA's master servicer. However, this option was not available to IFA because IFA's master servicer, US Bank, declined to participate. Since its initial launch, eight states have implemented the HFA Preferred Risk Sharing Program and sold approximately \$1.18 billion of mortgages per year under the program. Participating HFAs report strong demand and profitability with the program. In January 2014, IFA selected Idaho Housing and Finance Association (IHFA) as its new master servicer. IHFA has expressed a willingness to facilitate IFA's participation in the Risk Sharing product and staff is now requesting authorization to offer the program in Iowa.

### **Terms of Participation**

Fannie Mae has established terms of participation for the Risk Sharing Program which are set forth in a separate agreement for the Program. Under the terms of their agreement, a participating HFA must post a certain amount of collateral and agree to repurchase any mortgage that is 120 days delinquent in the first twelve months. The minimum collateral required is \$250,000 which Fannie Mae deems sufficient for up to \$50 million of loans subject to potential repurchase. Only HFAs who are approved for direct sale to Fannie Mae are eligible to enter into this agreement and IFA is not an approved Fannie Mae seller. However, since IFA's servicer (IHFA) has an existing agreement with Fannie Mae, IFA has the opportunity to offer this program under the umbrella of the servicer's agreement with Fannie Mae. This will be done through an amendment to the servicing agreement between IFA and IHFA which will mirror the terms set forth by Fannie Mae.

Under this proposal, an amendment to the servicing agreement shall be executed in which IFA agrees to post the minimum collateral of \$250,000 and accept the repurchase risk for loans delinquent 120 days in the first twelve months in exchange for up to \$50 million of program capacity. There are no additional servicing fees associated with the program and the mortgages originated through this program can be hedged and pooled by IFA staff in the same manner as the existing conventional portfolio. IFA will retain the right to set interest rates and eligibility for the Risk Sharing product, including any additional credit underwriting standards deemed prudent to mitigate risks. To minimize its repurchase risk, IFA will require lenders offering the Risk Sharing product to execute an addendum to their origination agreement with IFA which obligates the lender to meet Fannie Mae's repurchase obligations for this product. The proposed resolution authorizes the posting of \$250,000 of collateral and directs staff to prepare and execute all necessary agreements to carry out the program.



Table 1.0  
Monthly Payment Comparison

Purchase Price \$100,000	FHA	HFA Preferred	HFA Preferred Risk Share
Interest Rate	3.75%	4.125%	5.125%
Mortgage Amount	\$96,500	\$97,000	\$97,000
Upfront MI	\$1,689	\$0	\$0
Monthly MI	\$109	\$69	\$0
P & I	\$447	\$470	\$528
Total Monthly Payment	\$555	\$539	\$528
Compared to FHA	\$0	\$(17)	\$(27)

**Note:** The value of Risk Share is enhanced if using an MCC because a portion of the monthly interest payment comes back to the borrower as a credit whereas amounts paid monthly toward mortgage insurance does not.

**RESOLUTION  
FIN 14-05**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to expand, protect and preserve affordable housing for low and moderate income families in the State of Iowa (the “State”); and

WHEREAS, under its Single Family Loan Program (the “Single Family Program”) the Authority works with participating lenders to provides loans to eligible borrowers for the purchase of single family homes; and

WHEREAS, the Authority offers a number of different types of loan products to home buyers in an effort to match buyers’ needs with appropriate financing; and

WHEREAS, for a variety of reasons, the Authority has determined it to be desirable to begin offering Fannie Mae’s Preferred Risk Sharing loan product to Iowa homebuyers; and

WHEREAS, the Authority desires to offer the Preferred Risk Sharing loan product via the Authority’s participating lenders and in cooperation with the Authority’s master servicer, Idaho Housing and Finance Association (“IHFA”), which already has an existing agreement with Fannie Mae for the Preferred Risk Sharing program; and

WHEREAS, the Authority desires to amend the Master Servicing Agreement with IHFA to reflect the terms and requirements of the Preferred Risk Sharing program, including the obligation of the Authority to repurchase delinquent loans under certain conditions and the posting by the Authority of \$250,000 in collateral; and

WHEREAS, the Authority desires to amend the origination agreements with its participating lenders to require the participating lenders to agree to meet the repurchase obligations set out under the Preferred Risk Sharing program.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Authority to participate in Fannie Mae’s Preferred Risk Sharing program, to amend the Master Servicing Agreement with IHFA to permit such participation, to post the necessary \$250,000 in collateral, and to amend its origination agreements with its participating lenders as necessary to comport with the Preferred Risk Sharing program.

SECTION 2. The Board hereby authorizes the Executive Director, working with Authority staff, to finalize the amendments to the Master Servicing Agreement and to the Origination Agreements with the participating lenders. The Board authorizes the Executive Director to approve any necessary changes to such agreements and to negotiate and any other necessary documents in connection with the offering of the Preferred Risk Sharing program. The Executive Director is authorized to execute and deliver such documents on behalf of the Authority.

SECTION 3. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 3. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3rd day of September, 2014.

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David D. Jamison, Secretary

(Seal)



To: IFA Board of Directors  
From: Terri Rosonke, HousingIowa Development Specialist  
Date: 9/3/14  
Re: Local Housing Trust Fund (LHTF) Request for Approval and Certification

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In anticipation of the upcoming FY 2015 Local Housing Trust Fund (LHTF) Program round, one nonprofit organization has requested approval and certification as a LHTF by the IFA Board of Directors:

Eastern Iowa Regional Housing Corporation (EIRHC) Housing Trust Fund

The mission of the EIRHC Housing Trust Fund is to assist in the provision of decent, safe, and affordable housing and provide access to the resources for creating housing opportunities to families in the trust fund's eastern Iowa service region. Administrative services for the regional housing trust fund will be provided by the East Central Intergovernmental Association (ECIA). All five counties in the ECIA Council of Governments (COG) region and 48 incorporated communities have passed resolutions supporting the EIRHC Housing Trust Fund. All affordable housing projects and activities funded by the EIRHC Housing Trust Fund will assist households at or below 80 percent of the area median income. At least 30 percent of LHTF Program funding will benefit extremely low-income households. Established program priorities for the EIRHC Housing Trust Fund include owner-occupied housing rehabilitation; lead hazard remediation; emergency shelter and housing for special needs populations; infrastructure, lot development, and new construction; and down payment and homeownership preservation assistance.

The EIRHC Housing Trust Fund's geographic service area will encompass the ECIA COG region as identified by Iowa Code chapter 28H consisting of the following counties: Cedar, Clinton, Delaware, Dubuque, and Jackson. The EIRHC Housing Trust Fund will exclude the city of Dubuque, which is already served by its own LHTF as certified by the IFA Board of Directors in 2004. The EIRHC Housing Trust Fund's current Housing Assistance Plan is attached for the Board's review and consideration.

Staff Recommendation

IFA staff finds that the EIRHC Housing Trust Fund meets LHTF certification requirements and recommends Board approval.

Eastern Iowa Regional Housing Corporation  
(EIRHC)  
Housing Trust Fund

**2014**  
**Housing**  
**Assistance Plan**

Approved: March 27, 2014 EIRHC Housing Trust Fund Board

## Introduction

This document is the Housing Assistance Plan (HAP) for the EIRHC Housing Trust Fund. The HAP was prepared to meet the requirements of the Iowa Finance Authority State Housing Trust Fund. The plan has several specific objectives, which are as follows:

- I. Identify the entire geographic area
- II. Identify goals and objectives of the Local Housing Trust Fund
- III. Need
- IV. Outline in general terms the activities and projects the Local Housing Trust Fund will undertake, including sources and uses of funds
- V. Address the program guidelines
- VI. Describe general administrative procedures for the Local Housing Trust Fund, including a staffing plan
- VII. Address the economic, social, health and/or other benefits

The organizational documents include the following and are located in the attached Appendices:

- Articles of Incorporation
- Bylaws (include Mission Statement)
- Resolutions from each county and/or city participating in the LHTF
  - Letters of Support
- IRS 501(c) 4 letter
- Current Board of Directors
- Meeting Schedule – minutes are kept and on file and adhere to the Iowa Open Meetings Law and Open Records
- Public Hearing documentation on Housing Assistance Plan
- Map of service area

As is the case with any program, the needs, goals and objectives change over time. This document is intended to be updated and modified as determined necessary by the board and staff.

## I. Geographic Area Served

EIRHC Housing Trust Fund will serve the same area as the general membership of the East Central Intergovernmental Association (ECIA), which is a Council of Governments (COG) and has been in existence since 1974. The service area includes Dubuque, Delaware, Jackson, Cedar and Clinton counties in Eastern Iowa; excluding the city of Dubuque. A map of the service area can be found with the attachments. Cities and counties included in the service area and their 2010 Census populations<sup>1</sup> are as follows:

<b><u>DUBUQUE COUNTY</u></b> .....	<b>36,016</b>	Camanche .....	4,448
Asbury .....	4,170	Charlotte .....	394
Balltown .....	68	Clinton .....	26,885
Bankston .....	25	DeWitt .....	5,322
Bernard .....	112	Delmar .....	525
Cascade .....	1,767	Goose Lake .....	240
Centralia .....	134	Grand Mound .....	642
Durango .....	22	Lost Nation .....	446
Dyersville .....	3,879	Low Moor .....	288
Epworth .....	1,860	Toronto .....	124
Farley .....	1,537	Welton .....	165
Graf .....	79	Wheatland .....	764
Holy Cross .....	374	Unincorporated .....	8,329
Luxemburg .....	240	<b><u>CEDAR COUNTY</u></b> .....	<b>18,361</b>
New Vienna .....	407	Bennett .....	405
Peosta .....	1,377	Clarence .....	974
Rickardsville .....	182	Durant .....	1,737
Sageville .....	122	Lowden .....	789
Sherrill .....	177	Mechanicsville .....	1,146
Worthington .....	401	Stanwood .....	684
Zwingle .....	65	Tipton .....	3,221
Unincorporated .....	19,018	West Branch .....	2,227
<b><u>DELAWARE COUNTY</u></b> .....	<b>17,764</b>	Unincorporated .....	7,178
Colesburg .....	404	<b><u>JACKSON COUNTY</u></b> .....	<b>19,848</b>
Delaware .....	159	Andrew .....	434
Delhi .....	460	Baldwin .....	109
Dundee .....	174	Bellevue .....	2,191
Dyersville .....	179	LaMotte .....	260
Earlville .....	812	Maquoketa .....	6,139
Edgewood .....	584	Miles .....	445
Greeley .....	256	Monmouth .....	153
Hopkinton .....	628	Preston .....	1,012
Manchester .....	5,179	Sabula .....	576
Masonville .....	127	Spragueville .....	81
Ryan .....	361	Springbrook .....	144
Unincorporated .....	8,441	St Donatus .....	135
<b><u>CLINTON COUNTY</u></b> .....	<b>49,114</b>	Zwingle .....	26
Andover .....	103	Unincorporated .....	8,143
Calamus .....	439	<b>TOTAL REGION</b> .....	<b>141,103</b>

## II. Goals and Objectives - Purpose & Organization

The purpose of EIRHC Housing Trust Fund is to provide financing to expand housing opportunities for low and very low income families and individuals in the region. The EIRHC Housing Trust Fund is staffed by and functions as a part of the East Central Intergovernmental Association (ECIA), a Council of Governments (COG), with experience in providing housing programs and services for low, very low and extremely low income families since 1974. The EIRHC Housing Trust Fund is not intended to compete with existing services and programs offered by ECIA or other agencies, but rather compliment and expand upon those efforts.

The EIRHC Housing Trust Fund will be operated and administered by staff of ECIA. Housing programs and projects at ECIA fall under the Eastern Iowa Regional Housing Authority (EIRHA). ECIA currently administers many various types of housing programs. The primary areas of service include housing assistance, family self-sufficiency, homeownership, housing counseling, and housing development. In addition, the ECIA has developed and secured funding for over 91 CDBG and HOME owner-occupied city/county rehabilitation and down payment programs in the last 23 years. The EIRHA staff have also been involved with new single family home construction, single family home rehabilitation, development of two Tax Credit sites, USDA sites and 170 Public Housing properties, and providing housing counseling services to the families served. (EIRHA is a HUD approved Housing Counseling agency).

### Mission

The mission of the EIRHC Housing Trust Fund is to assist in the provision of providing decent, safe and affordable housing, as well as providing access to the resources for creating housing opportunities to the families served in eastern Iowa. The emphasis is to provide economic assistance to benefit the -moderate, very low, and extremely low-income residents of Dubuque, Delaware, Jackson, Cedar and Clinton Counties for a variety of housing needs.

### EIRHC Housing Trust Fund Board

The EIRHC Housing Trust Fund board has been set up to provide fair and balanced representation from all areas of the five counties. Refer to the appendices for a full listing of board members. The major responsibility of the EIRHC Housing Trust Fund board is to obtain funding and manage those funds.

## III. Need

All five counties served in the ECIA region have experienced difficult times over the past decades. As rural counties, they were hit particularly hard during the Farm Crisis of the 1980s, losing from 4.7% of its population to 11.3% in Jackson County. As the number of farms decline, the population continues to age, the need for economic development continues to grow, and the need for additional housing becomes increasingly important. The main needs in all the counties include additional land for development within the cities, development of affordable single family homes, preservation of existing housing stock and addressing of deteriorated structures.<sup>2</sup>

### **Population & Household Information**

2000-2010 POPULATION

POPULATION	Iowa	Dubuque	Delaware	Jackson	Cedar	Clinton	REGION
		County	County	County	County	County	Total
2000	2,926,324	89,143	18,404	20,296	18,187	50,149	196,179
2010	3,046,355	93,653	17,764	19,848	18,499	49,116	198,880
CHANGE	120,031	4,510	-640	-448	312	-1,033	2,701
% CHANGE	4.10%	5.06%	-3.48%	-2.21%	1.72%	-2.06%	1.38%

Source: State  
Data Center<sup>1</sup>  
Iowa

Population varies greatly in different areas of the region. Dubuque County is the largest county, partly due to the City of Dubuque, which is the largest city in the region. Delaware County has significantly fewer people, and the other counties fall somewhere in between. 2000 thru 2010 Census figures show great differences in rates of population growth and decline. Dubuque and Cedar County saw growth in the 2000's, while the other counties experienced a decrease in population.

### 2013 ESTIMATED HOUSEHOLD INCOME

HOUSEHOLD INCOME in 2013	Iowa	Dubuque County	Delaware County	Jackson County	Cedar County	Clinton County	Region Total
Total:	1,219,137	37,726	7,277	8,286	7,581	19,938	80,808
Less than \$10,000	74,631	2,330	350	555	242	1,273	4,750
\$10,000 to \$14,999	69,138	2,287	414	477	298	1,120	4,596
\$15,000 to \$19,999	68,155	1,914	606	440	380	1,107	4,447
\$20,000 to \$24,999	68,363	2,178	371	705	327	1,162	4,743
\$25,000 to \$29,999	69,001	2,272	348	511	433	1,291	4,855
\$30,000 to \$34,999	67,811	2,645	435	471	384	1,014	4,949
\$35,000 to \$39,999	65,953	1,048	421	647	424	1,039	3,579
\$40,000 to \$44,999	63,265	2,364	389	334	495	1,320	4,902
\$45,000 to \$49,999	57,686	1,900	354	303	284	1,094	3,935
\$50,000 to \$59,999	109,635	3,022	698	939	842	1,584	7,085
\$60,000 to \$74,999	140,912	4,694	865	797	1,081	2,369	9,806
\$75,000 to \$99,999	161,980	5,193	1,118	1,075	1,256	2,772	11,414
\$100,000 to \$124,999	90,993	3,178	526	507	656	1,410	6,277
\$125,000 to \$149,999	44,785	1,032	166	235	256	750	2,439
\$150,000 to \$199,999	36,837	587	118	144	184	315	1,348
\$200,000 or more	29,992	1,082	98	146	39	318	1,683
<b>Median household income</b>	50,957	49,793	49,375	43,810	57,004	48,541	49,705
<b>Percent Change Since 2010</b>	6.25%	0.03%	4.88%	7.62%	4.94%	1.91%	3.87%

Source: American Community Survey (B19001: HOUSEHOLD INCOME IN THE PAST 12 MONTHS)<sup>3</sup>

**EIRHC Housing Trust Fund**

**Housing Assistance Plan**

	Dubuque County	Delaware County	Jackson County	Cedar County	Clinton County	Region Total
<b>Households below the State Median Income</b>	18,938	3,688	4,443	3,267	10,420	40,736
<b>Percent</b>	50%	50%	53.6%	43%	52.2%	50.4%

According to US Census figures, the median household income is fairly constant throughout the region. The slightly higher median income in Cedar County is due primarily to the larger number of industrial and professional positions located in Cedar County than in other counties and their proximity to the larger metro areas of Cedar Rapids and Iowa City. However, as an average, the median income for the region falls below the statewide average, indicating a significant number of low and moderate income families. Over 50.4% of the total regional population have median incomes falling below the median household income for the region.

**ESTIMATED AGE OF HOUSING UNITS IN 2013**

Year Structure Built 2013	Iowa	Dubuque County	Delaware County	Jackson County	Cedar County	Clinton County	Region Total
Total:							
Built 2005 or Later	57,713	1,964	279	236	270	712	3,461
Built 2000 to 2004	89,044	2,529	430	715	454	650	4,778
Built 1990 to 1999	143,845	4,170	1,014	700	735	1323	7,942
Built 1980 to 1989	97,165	2,333	504	579	484	839	4,739
Built 1970 to 1979	201,792	5,874	1,310	1,461	1,076	3256	12,977
Built 1960 to 1969	141,103	4,659	810	909	658	2,555	9,591
Built 1950 to 1959	148,086	4,039	627	1,029	649	2,819	9,163
Built 1940 to 1949	83,954	2145	390	609	599	1,720	5,463
Built 1939 or earlier	369,785	11,126	2,655	3,163	3,128	7,897	27,969
Percent 2000 or Later	11.01%	11.57%	8.84%	10.12%	8.99%	6.26%	9.57%
Percent Pre-1980	70.90%	71.69%	72.23%	76.28%	75.87%	83.81%	75.70%
Percent Pre-1940	27.75%	28.65%	33.11%	33.65%	38.84%	36.27%	32.49%
Median Year Built	1965	1965	1964	1959	1955	1954	

Source: American Community Survey<sup>3</sup> (B25034: YEAR STRUCTURE BUILT)

A large percentage of the housing stock in the region is very old. While certainly many older homes have been rehabilitated over the years, many are still in need of rehabilitation. In the region, on average, 32.49% of the housing units were built before 1940 with over 50% of the regional population earning less than \$50,000 per year. Their ability to afford to update and rehabilitate the older housing stock is diminished. Those homes built before 1978 (region average of 75%) have the potential to contain lead-based paint, which can potentially cause numerous health problems, especially in children and the elderly.

### Housing Needs Assessments (HNA)

The East Central Intergovernmental Association (ECIA) staff have assisted with the completion of the housing needs assessments on the five counties served as follows:

<u>COUNTY ASSESSMENT</u> <sup>2</sup>	<u>YEAR COMPLETED</u>	<u>UPDATED</u>
Dubuque County HNA	2001	X
Delaware County HNA	2001	X
Jackson County HNA	2001	X
Cedar County HNA	2001	2012
Clinton County HNA	2001	X

In each of the housing needs assessments, several key housing needs surfaced as priorities. They are as follows:

- Owner-occupied rehabilitation. The most common need in the EIRHC Housing service area is the need to make repairs to the existing aged housing stock. While some areas are seeing some new housing construction, all areas (city and rural) in the five-county region have a significant number of homes built over 60 years ago. Windshield surveys of the general housing conditions in communities indicate strongly a need to provide programs to assist with rehabilitation.
- Down payment assistance. The most common financial barriers to home ownership are the lack of a down payment, closing costs, and persons who are conservative desiring not to borrow to their capacity.
- Ownership Preservation. The subprime loans to the lower income with scarred credit ratings from the late 90's through the early 2000's all resulted in foreclosures. The EIRHA is a HUD certified Housing Counseling Agency and can assist families with locating alternative financing when faced with foreclosure.
- Emergency or Relocation Assistance. The ability to offer assistance as needed, or having the flexibility of program parameters makes the Housing Trust Fund so unique. Each special needs assistance will first be checked to ensure that other agencies or programs cannot assist to prevent duplicate funding. Examples of consideration for the Very Low Income families could include avenues necessary to keep their heat going such as paying the late bill to turn on their gas. Another example would be to assist with relocation expenses if a family is being removed from unsafe or blighted living conditions. This type of assistance would only happen in very extreme or special needs cases.

**Needs of Extremely low income persons.** According to the Five Year American Community Survey<sup>3</sup>, there are currently 4,577 families in the five county region that are extremely low income (ELI). The regional housing market does not have the strength to supply new housing of the types needed to allow for people to move into better housing. While the area has a stable population at best, the housing stock continues to age, and the net supply of homes is not growing rapidly enough to meet the needs of the general population. What then happens is that the ELI persons are not finding homes suitable to their needs or more particularly ELI persons (particularly seniors/handicapped on fixed incomes) have homes that are in need of repairs beyond what they can afford.

**Needs of Inner-city neighborhoods or area with stagnant or declining housing markets,** Because of the rural nature of the Trust Fund area, much of the area is underserved. This results in a large underserved population of low to extremely low-income persons. Large urban areas have resources to offer a variety of programs and large cities are often able to leverage federal funds for housing related activities. This is not the case in rural areas. The majority of all

rural towns are all experiencing stagnant or declining housing markets, with the largest city in our trust fund area having a population of 26,885 and the majority having a population less than 800. The ability to address the housing needs of low and extremely low-income persons is often beyond the scope and resources of a single small community or county. By binding together to form the EIRHC Housing Trust Fund, the smaller communities and counties hope to be able to begin to address the needs of their underserved low and extremely low-income populations.

### Continuum of Care Needs

- Homelessness - The region does not have very many genuinely homeless people, and most that are homeless are due to domestic violence. Usually, such homelessness is short-term.
- Transitional Housing – a poll of local shelters in the area indicate that they do not necessarily keep a waiting list for services as it is difficult to do when the housing needs are more immediate. Currently all shelters are able to handle the need.
- Rental Housing - According to the 2010 US Census<sup>1</sup>, there is currently 19% renter-occupied housing units in the five county region served.
- Homeownership - According to the 2010 US Census<sup>1</sup>, there is currently 81% owner-occupied housing units in the five county region served.

## IV. Goals and uses of Funds – Activities and Projects

The following goals and activities have been set out for the EIRHC Housing Trust Fund. While there are other areas of housing that are certainly in need of attention (i.e., rental housing, transitional housing, etc.), it is felt that the most impact can be made by not trying to spread a small amount of money around to multiple types of projects. Areas of greatest need in the region, documented in needs assessments and in the MacDonald study<sup>4</sup>, are those we will continue to address in the first years of operation.

### 1. LEAD HAZARD REMEDIATION (10%)

One goal of the EIRHC Housing Trust Fund will be to work towards containing lead based paint hazards in homes with low-income families. In such cases, primary emphasis will be given to households with young children and elderly occupants. Lead hazard remediation has become an important issue for federal funding sources, as HOME, CDBG, and USDA. Program rules have been changed to ensure that homes are lead safe when assistance is provided to help homebuyers buy or repair homes or renters who occupy units financed with these funds. ECIA has several staff trained in lead paint inspection, and also contracts with the Iowa Department of Public Health to complete lead paint analysis on homes with children having elevated blood levels (EBL's) of lead. There are over 71% of the units in the region that were built prior to 1980 that have the potential for lead paint hazards.

### 2. OWNER-OCCUPIED REHABILITATION ACTIVITIES (30%)

The trust fund will provide financing to low and moderate income families for general rehabilitation activities. Efforts will be concentrated on major health and safety issues including repairs such as furnaces, electrical work, plumbing, roofs, and energy efficiency items (windows, insulation, weatherproofing, etc.).

Using the EIRHC Housing Trust Funds for general home rehabilitation activities will compliment other programs that currently exist in the area for home repairs.

### 3. EMERGENCY (TRANSITIONAL) HOUSING AND SPECIAL NEEDS HOUSING (10%)

Local and regional emergency shelters are few in number in part due to cost. The ones that do operate in this region are in constant financial stress. Our program will provide a temporary emergency fund to ensure the shelters (existing and new) will continue to operate and meet local needs for vulnerable populations. Funds are needed for supportive services, rehabilitation, expansion, and in certain circumstances, for a short time, general operations (such as utilities, overhead, and furnishings). Assisted living and special needs housing is a growing demand, and low-interest loans to forgivable loans are needed for pre-development costs, infrastructure, and, in some cases, new construction.

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**4. INFRASTRUCTURE, LOT DEVELOPMENT & NEW CONSTRUCTION (35%)**

This portion will be used to build the capacity of our non-profit and private builders. Under this category, the need exists from time to time to acquire properties in danger of becoming unaffordable. This fund will help reduce risk for such builders and owners of apartments and homes for LMI persons, with a sliding scale repayment program. A combination of loans, forgivable loans, and (rarely) grants are needed, usually on a short-term basis.

**5. DOWN PAYMENT ASSISTANCE/OWNERSHIP PRESERVATION (15%)**

As the focus of homeownership across the state is ever more targeted, the need for this assistance is crucial.

The Ownership Preservation component would provide assistance with mortgage payments to prevent foreclosure. It is not unusual for a home owner that falls into the very low income category to find themselves falling behind during times of crisis. This assistance may provide financing to bring the mortgage current so as not to fall into the foreclosure phase. Scrutiny would come into play to determine why or how this could happen. It will also be mandatory that they attend Homeowner/Buyer Counseling Courses through the EIRHA HUD certified Housing Counseling Program.

In addition to the Ownership Preservation Assistance, the EIRHC Trust fund will provide down payment assistance to assist with the purchase of a primary residence. The buyer will be responsible for obtaining a fully amortized mortgage loan from a regulated lender featuring a rate of interest that is fixed for at least 5 years and that has a term of at least 15 years.

**Sources of Funds**

All funding will be provided to low to moderate-income families, or those with adjusted annual incomes of not more than 80% of the greater of county or statewide non-metro median income limit as published annually by the Iowa Finance Authority. 30% of any new funding from the state will be reserved for the extremely low income of less than 30% of median income.

**V. Program Guideline/Implementation****Collaboration**

The EIRHC Housing Trust Fund will work with established and future created groups to sustain the housing effort. These groups include: county and city economic development groups, city and county governments, Habitat for Humanity, Area Community Action Programs/Agencies, Area Agency on Aging, the Eastern Iowa Regional Housing Authority, non-profit housing developers, private affordable housing developers, area real estate agents, area banks and lenders, area construction coalitions, local municipal utilities, Iowa Finance Authority, Iowa Economic Development Authority, and USDA-RD. Collaborative activities include funding, cooperative agreements, developer agreements, and marketing programs.

**Income Limits and Targeting Goals**

All funding will be provided to low to moderate-income families, or those with adjusted annual incomes of not more than the greater of either 80% of the statewide median income limit as published annually by the Iowa Finance Authority or HUD. At least 30% of the available LHCF funds received from the State and direct match will be provided to extremely low-income families, or those with adjusted annual household incomes at or below 30% of the statewide median income limit as published annually, using the HUD statewide limits.

**Program Funding Types and Limitations, Underwriting Criteria**

Funding will be provided to program clients in the form of a loan or grant depending on their adjusted gross annual income and individual needs. The types of funds given will vary widely by the type of project, the financial need, and the quality of the individual proposal. Developers, sub-recipients, and final users must apply for assistance. Staff will

present it to the EIRHC Board and make recommendations. Any variations in eligibility and underwriting criteria will be subject to approval by the Board.

## Borrower or Project Match/Leverage Requirements

The investment beyond the match for the Housing Trust funds will be provided by entities that directly benefit from the individual programs and projects. These will include cities, counties, developers, homeowners, lenders, and non-profit groups. Generally, the fund will leverage a substantial contribution from any third party, usually 80% or more, filling a gap in funding needs. Staff will perform a thorough gap financial analysis, as needed, for proposals and will require, from applicants, complete pro-formas and other analysis, as applicable, to make wise funding decisions and reduce the risk of project failure.

## Eligible Activities & Uses of Funds

All service agencies will be notified of the upcoming annual plan meeting to provide the opportunity to request or make comment on this HAP document. Upon notification of the award of funds, applications will be reviewed by the EIRHC Housing Trust Fund Board and, based on the amount of monies received, will determine the amount of appropriation to ensure that the EIRHC HTF goals will be met. At the same time, Counties will be contacted to see if there are any special projects that would benefit the low income population in each of the individual areas. It is the intent of the application to distribute the funds as fairly as possible.

## Allocation Guidelines

Based on the needs assessment detailed in this Housing Assistance Plan, the EIRHC Board of Directors adopted the following principles to guide the distribution process:

1. **Location and income eligibility.** Only housing projects that will serve low-income households within Dubuque (excluding the city of Dubuque), Delaware, Jackson, Cedar and Clinton counties will be eligible for EIRHC Housing Trust Funds. Low-income is defined as household income that is at or below 80% of area median income (AMI). Further, as required by IFA, 30 percent of the state LHTF funds will be used to benefit persons with extremely low income (30% AMI).
2. **Project Requirements.** Proposed projects must meet the following criteria:
  - Implement an eligible activity, as identified herein
  - Applicant is a non-profit agency, governmental entity, for-profit business, or individual that demonstrates capacity to complete their project and comply with the terms of a funding agreement
  - Provide sufficient documentation supporting financial feasibility of the project
  - For category 5 above – a \$5,000 cap will be placed on the down payment and ownership preservation assistance per household. This will be considered a grant to participating households.
  - Funding will be provided to program clients in the form of a loan or grant depending on their adjusted gross annual income as described in the following table.
    - This type of assistance will continue subsequent funding cycles and will not exceed \$10,000 per household (for categories 1-3 above). If additional funds are required over \$10,000, other existing programs will be accessed, if available and feasible. The same formula will be followed with any revolving loan funds received back into the housing trust fund.
    - For category 4 above funding limits will be at \$25,000 per unit and 35% of the total allocated dollars.

Income Level (% of median income)	Loan Type	Interest Rate	Term
Below 30%	FORGIVABLE	NOT APPLICABLE	5-YEAR FORGIVABLE
31% - 50%	½ REPAYABLE/ ½ Grant	2.0%	5-10 YEARS/ 5-YEAR FORGIVABLE
51% - 80%	REPAYABLE	4.0%	5-10 YEARS

- Proposed projects must show proof of meeting applicable building codes. For projects located in jurisdictions without building codes, new construction projects must meet county building codes and rehabilitation must at least meet Housing Quality Standards (HQS) of the Department of Housing and Urban Development (HUD) Housing Choice Voucher Program.
- If sufficient applications are not received in one of the five categories above and there is money unspent, the board will shift the money to one of the categories where there is a greater demand/need.

**3. Project Evaluation.** The project evaluation process will give preference to projects that:

- Serve extremely low-income people, defined by HUD as below 30% of area median income
- Leverage additional funding sources (local, state, federal, or private)
- Promote infill development, energy efficiency, and sustainability principles
- Serve areas impacted by natural disasters

**Fundraising and Potential Long-term Sources**

Over the long-term, the EIRHC Housing Trust Fund will become more self-sustaining through the use of a combination of 1) program income from repayable and recaptured loans, 2) fees for services, 3) supplemental grants, and 4) contributions from local communities that see the success of our effort. We intend to raise funds from grants the EIRHC Housing Trust Fund is seeking, such as from the IDED Housing Fund, HUD, and the Wells Fargo Housing Foundation. While not all these funds will go directly into the EIRHC Housing Trust Fund, they will be used on some of the same projects as the Housing Trust funds. Local match sources for future EIRHC Housing Trust Fund grant applications to IFA may also include city cash, utility reductions, TIF, tax abatement, enterprise zone funds, and other commitments, as the nature of fund use is better known. Staff will fundraise through marketing, also, attempting to secure donated property and services as means to make individual projects more feasible and to sustain the Fund.

**VI. Administrative Procedures**

**Staffing Plan**

The staffing plan for EIRHC Housing Trust Fund is necessary to ensure efficient and effective management of the program. EIRHC Housing Trust Fund will be staffed by ECIA staff, as it is preferred to have coordination between existing experienced staff and ongoing programs. Staffing needs to accomplish the goals of the LHTF include:

- Expert Administration: experienced staff who know how to properly administer funds, including fiscal management
- Outreach: dissemination of information on availability of programs is crucial to ensuring that those that need assistance most are aware that it is available
- Intake & Verification: since all funds will be used for low and moderate income individuals, staffing is necessary to accept applications and verify income eligibility
- Inspection & Construction Management: necessary to determine specific structural needs and ensure proper completion of specified lead remediation and other repairs
- Loan Servicing: sufficient fiscal management is necessary to ensure that timely repayments on loans are made
- EIRHC Board oversight – EIRHC staff will report to the board every other month at meetings.

All of the necessary staffing functions are currently available with the ECIA. The ECIA has twelve staff dedicated strictly to Housing including a Homeownership/Housing Development Specialist (who is Housing Counseling Certified), Housing Coordinator, and Housing Inspectors. Additionally, the fiscal staff at the ECIA currently services all loans from existing USDA and EDA revolving loan funds and new housing programs. The staff at the ECIA have over sixty years of combined experience in housing.

## **VII. Economic, Social, Health and other benefits**

It is the mission of the Eastern Iowa Regional Housing Trust Fund to ensure that the residents in the five counties served have access to well-maintained, safe and affordable housing in both the rural and urban areas of the county. Additional benefits are to stabilize and improve the older housing units located in the county, increase the county's tax base, provide rehabilitation of existing homes for low, very low and extremely low-income families, and keep low-income elderly citizens in their homes.

# Appendices

- Bibliography
- Articles of Incorporation
- Bylaws (include Mission Statement)
- Resolutions from each county and/or city participating in the LHTF
  - Letters of Support
    - Local government entities
    - Non-profit organizations
    - Neighborhood organizations
    - For-Profit housing organizations
    - Local service providers
- IRS 501(c) 4 letter
- Current Board of Directors
- Meeting Schedule – minutes are kept and on file and adhere to the Iowa Open Meetings Law and Open Records
- Public Hearing documentation on Housing Assistance Plan
- Map of service area

**RESOLUTION**  
**HI 14-15**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to expand, protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, pursuant to Iowa Code section 16.181, a housing trust fund has been created within the Authority (the “Trust Fund”); and

WHEREAS, from time to time the Authority has adopted annual allocation plans (collectively, the “Allocation Plans”) under the Trust Fund; and

WHEREAS, pursuant to Iowa Code section 16.181 and the terms of the Allocation Plans, local housing trust funds must be approved by the Authority in order to be eligible to apply for funding from the Trust Fund; and

WHEREAS, the Authority adopted an Allocation Plan for the Local Housing Trust Fund Program Dated June 2009; and

WHEREAS, the local housing trust fund referenced in Exhibit A has submitted the necessary information to the Authority for approval; and

WHEREAS, the Authority desires to certify that the local housing trust fund referenced in Exhibit A has satisfied the requirements set forth in the Allocation Plan for the Local Housing Trust Fund Program Dated June 2009 and is therefore approved and eligible to apply for an award of funds from the Trust Fund under the Allocation Plan, unless and until becoming ineligible pursuant to the terms of a subsequently adopted Allocation Plan or through decertification action taken by the Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board certifies the local housing trust fund listed on Exhibit A as eligible to apply for funds under the Authority’s Allocation Plan for the Local Housing Trust Fund Program Dated June 2009 as adopted by the Authority unless and until becoming ineligible pursuant to the terms of a subsequently adopted Allocation Plan or through decertification action taken by the Board.

PASSED AND APPROVED this 3<sup>rd</sup> day of September, 2014.

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David D. Jamison, Secretary  
(Seal)

EXHIBIT A

<b>Applicant</b>	<b>Category</b>	<b>Recommendation</b>
Eastern Iowa Regional Housing Corporation Housing Trust Fund <i>Counties Served: Cedar, Clinton, Delaware, Dubuque (excluding the city of Dubuque) and Jackson</i>	LHTF	Certification



To: IFA Board of Directors  
From: Carolann Jensen  
Chief Administration Officer  
Date: September 3, 2014  
Re: HOME Awards

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The Iowa Finance Authority (IFA) accepted applications for rental projects seeking assistance under the HOME program during the month of July. Eligible applicants were limited to nonprofit agencies capable of meeting Community Housing Development Organization (CHDO) status for the proposed project. A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, capacity and experience. IFA is required to set-aside 15% of HOME funds received for projects sponsored by CHDO's.

Projects were also limited to acquisition of affordable rental housing. No rehabilitation was allowed under this round. Assistance could be requested for a single site or sites together with any building or buildings located on them under common ownership, management and financing, as long as it was to be assisted with HOME funds as a single undertaking. A maximum number of five units are allowed. No unit may be purchased that exceeds 10 years of age from the date of its initial occupancy certification.

All HOME-assisted units shall be rented to low-income households. At initial occupancy, 100% of the units shall be rented to households with incomes at or below 60% AMI, and for projects with five or more HOME-assisted units, at least 20% of the units shall be rented to very low-income households (50% AMI). All projects receiving HOME assistance must comply with all applicable state and federal regulations. All housing shall have been constructed in accordance with any local building or housing codes, standards and ordinances. In their absence, the requirements of the State Building Code shall apply. All new rental construction units that have never been occupied must have Energy Star certification.

The maximum amount of funding awarded per CHDO acquisition rental project is \$1,000,000. The maximum amount of funding awarded per rental unit is limited to the 221(d)(3) limits. A maximum number of five units are allowed. CHDO's are also eligible for \$10,000 per unit of CHDO operating grants.

IFA staff has recommended two applications for award of funds. The following is a brief synopsis of the awards:

**The Housing Fellowship Affordable Rental Acquisition**

- CHDO – The Housing Fellowship
- Area – Cities of Iowa City and Coralville
- Award amount - \$909,692 for five units; HOME is the only funding source in the project
- The Housing Fellowship will acquire five scattered site properties to be used as affordable rental homes for low-income families. The homes will have been constructed within the last 10 years and will be "move-in" ready. The Housing Fellowship, an Iowa CHDO, has over 23 years of experience as developers and property managers of permanent affordable housing for low-income Johnson County households.

- The need for affordable rental housing in Johnson County is well documented. Affordable rental homes for low-income families is a high priority in Iowa City's City STEPS plan (Consolidated Plan). The Affordable Housing Market Analysis indicated that 649 affordable rental homes are needed. (Iowa City Metro Area Affordable Housing Market Analysis, Mullin and Lonergan, December 2007). The production of affordable rental housing has fallen well below the need. According to Iowa City's Consolidated Annual Performance and Evaluation Report (FY15), only 34 new rental homes have been developed from FY11 to date.

#### **NEICAC Single Family Rental 2014**

- CHDO - Northeast Iowa Community Action Corporation (NEICAC)
- Area – Cities of Cresco, Decorah, Waukon, West Union, Calmar, New Hampton, Ossian and Ridgeway
- Award amount - \$1,000,000 for five units; HOME is the only funding source in the project
- Northeast Iowa Community Action Corporation (NEICAC) intends to add five single family homes to their rental housing stock. The homes will have a minimum of three bedrooms, be less than 10 years old, and be located within 35 miles of Decorah. NEICAC expects to serve a minimum of two clients per location during the 15-year agreement with IFA but may serve more or less. Tenants will be required to attend Homebuyer Education and Financial/Budget/Credit Counseling. NEICAC intends to help tenants build credit and eventually personal wealth due to their increased knowledge and understanding of their finances. Tenants will be encouraged to enroll in other programs available to them, purchase a home once they have completed education and counseling courses and are comfortable with the demands of becoming homeowners (if that is the tenants' preference). NEICAC is an Equal Opportunity Housing Agency.
- Local Support - NEICAC directs quarterly meetings in each of the seven counties it serves. The meetings are attended by city, county and state representatives, USDA, bankers, realtors, and economic development groups and, occasionally, the general public. We have received numerous letters of support for our housing projects. NEICAC tripartite Board of Directors is comprised of public, private and residential members who are very involved in their communities and doing the right thing. Its housing program has grown to include most communities in the seven counties it serves. The Board has been and will continue to be supportive of helping low-moderate income families and individuals obtain decent, safe, affordable housing. This is also evident by their support of other housing programs in NEICAC's area including Housing Trust Funds, Homebuyer Education and Downpayment Assistance Programs. All communities support the programs because they help improve neighborhoods, support job growth, encourage relocation, add tax value, and support the sustainability of their communities

If you have questions, please feel free to contact Jerry Floyd at [jerry.floyd@iowa.gov](mailto:jerry.floyd@iowa.gov) or (515) 725-4907 or Rita Eble at [rita.eble@iowa.gov](mailto:rita.eble@iowa.gov) or (515) 250-3217.

RESOLUTION  
HI 14-16

WHEREAS, the Iowa Finance Authority (the "Authority") is the allocating agency in the State of Iowa for the HOME Partnership Program ("HOME Program") of the federal Department of Housing and Urban Development ("HUD") as authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990; and

WHEREAS, the Authority has received applications for the July 2014 CHDO Acquisition Only Rental Projects round for the HOME Program pursuant to the Authority's administrative rules (Iowa Administrative Code 265—ch. 39) ("HOME Rules") and the State of Iowa Consolidated Plan for Housing & Community Development, Annual Action Plan: 2014 ("2014 AAP"); and

WHEREAS, the Authority has reviewed the applications and wishes to award HOME Program funds pursuant to all applicable laws, rules and plans, as set forth on Exhibit A attached to this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. Subject to Section 2, hereof, the Board hereby awards HOME Program funds to the projects listed on Exhibit A as set forth therein.

SECTION 2. The provisions of this Resolution are declared to be separable, and if any section, phrase, line item, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, line items, and provisions.

SECTION 3. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this third day of September 2014.

---

David D. Jamison, Secretary

(Seal)

## July 2014 CHDO Acquisition Only Rental Projects

App #	Project Name	Developer/Sub-recipient	Service Area	# of HOME Units/House holds	HOME Award	CHDO Operating Grant	Total HOME Award
<b>Acquisition only Projects</b>							
<b>14JUL-1323</b>	The Housing Fellowship Affordable Rental Acquisition	The Housing Fellowship	Iowa City and Coralville	5	\$ 909,692	\$ 50,000	\$ 959,692
<b>14JUL-1324</b>	NEICAC Single Family Rental 2014	Northeast Iowa Community Action Corporation (NEICAC)	Cresco, Decorah, Waukon, West Union, Calmar, New Hampton, Ossian, and Ridgeway	5	\$ 1,000,000		\$ 1,000,000
<b>Grand Total of Awards</b>				10	\$ 1,909,692	\$ 50,000	\$ 1,959,692



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Lori Beary, Community Development Director  
Date: 8/21/14  
Re: Economic Development and Water Quality

---

**Economic Development Bond Program**

**Authorizing Resolution**

**ED Loan #14-08, Kahl Home Project**

This is a resolution authorizing the issuance of an amount not to exceed \$25,500,000 of Iowa Finance Authority Revenue Refunding Bonds for the Kahl Home Project in Davenport. The bonds will be used to refinance 2011 bonds which were used to construct a 135-bed nursing facility. Kahl Home is a 501c (3) non-profit corporation.

The inducement resolution was adopted on August 6, 2014 and the public hearing will be held at 8:30 am on September 3, 2014 at IFA.

- **Need Board action on Resolution ED 14-08B**

**Amending Resolution**

**ED Loan #07-14, Five Star Holdings Project**

This is an amending resolution for the Five Star Holdings, LLC Project in Sanborn, O'Brien County. IFA issued \$5,300,000 of Iowa Finance Authority Solid Waste Disposal Revenue Bonds for this project in 2007. The proceeds were used to construct a solid waste disposal facility for a dairy farm. The borrower is anticipating the replacing the existing Original Confirming Letter of Credit with Rabobank with a new provider. This resolution would allow for the necessary amendments to the Trust Indenture and Loan Agreement that changing the confirming letter of credit provider requires.

- **Need Board action on Resolution ED 07-14B-1**

RESOLUTION  
ED 14-08B

Authorizing the Issuance of not to exceed \$25,500,000  
Revenue Refunding Bonds (The Kahl Home Project)

Resolution authorizing the issuance of not to exceed \$25,500,000 Revenue Refunding Bonds (The Kahl Home Project) for the purpose of making a loan to assist the borrower in the refunding of certain revenue bonds the proceeds of which were used for the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project and the refunding; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; and related matters.

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa (the "Act") to issue revenue bonds to be used to pay the cost of defraying the cost of acquiring, constructing, improving and equipping certain projects described in Section 16.102 of the Act including facilities for an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") which is exempt from federal income tax under section 501(a) of the Code; and to pay the cost of refunding any bonds or notes, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes; and

WHEREAS, the Authority has been requested by Kahl Home for the Aged and Infirm (the "Borrower") to issue not to exceed \$25,500,000 Revenue Refunding Bonds (The Kahl Home Project) (the "Bonds"), in one or more series, for the purpose of loaning the proceeds thereof to the Borrower for the purpose of refunding the outstanding principal amount of the Authority's Variable Rate Health Facility Revenue Bonds, Series 2011 (The Kahl Home Project) (the "Prior Bonds"); and

WHEREAS, the Authority on the 6<sup>th</sup> day of August, 2014, has heretofore approved an application, attached hereto as Exhibit A, of the Borrower requesting the approval of the Project; and

WHEREAS, pursuant to published notice of intention (a copy of which notice is attached as Exhibit B) the Authority has conducted a public hearing on the 3rd day of September, 2014 at 8:30 a.m. on a proposal to issue the Bonds in an amount not to exceed \$25,500,000 to refund the Prior Bonds as required by Section 147 of the Internal Revenue Code of 1986, as amended (the "Code") and this Board has deemed it to be in the best interests of the Authority that the Bonds be issued as proposed; and

WHEREAS, it is necessary and advisable that provisions be made for the issuance of Bonds in the aggregate principal amount of not to exceed \$25,500,000 as authorized and permitted by the Act to finance the refunding of the Prior Bonds and the costs incurred in connection with the foregoing; and

WHEREAS, the Authority will issue the Bonds and loan the proceeds of the Bonds to the Borrower pursuant to the provisions of a Loan and Trust Agreement (the "Loan Agreement") among the Authority, the Borrower and Citizens Bank, National Association (the "Lender"); and

NOW, THEREFORE, Be It Resolved by the Board of the Authority, as follows:

Section 1. Qualified Project. It is hereby determined that the refunding of the Prior Bonds and the payment of costs related thereto, all as described in the initial approved application, Exhibit A, qualifies under the Act for financing with the proceeds of the Bonds and will promote those public purposes outlined in the Act.

Section 2. Costs. The Authority shall proceed with the sale and issuance of the Bonds and the Authority shall defray all or a portion of the cost of refunding the Prior Bonds by issuing the Bonds and loaning the proceeds of the sale of the Bonds to the Borrower.

Section 3. Public Hearing. At the public hearing conducted by the Authority in accordance with the provisions of Section 147(f) of the Code, pursuant to published notice, all persons who appeared were given an opportunity to express their views for or against the proposal to issue the Bonds and the Authority has determined to proceed with the necessary proceedings relating to the issuance of the Bonds.

Section 4. Bonds Authorized. In order to acquire, construct, improve and equip the Project, the Bonds shall be and the same are hereby authorized and ordered to be issued by the Authority pursuant to the Loan Agreement in substantially the form as has been presented to and considered at this meeting and containing substantially the terms and provisions set forth therein, the Bonds actually issued to be in a principal amount not exceeding \$25,500,000 and to bear interest at rates as determined by the Borrower and the Purchaser which rates shall initially be a variable rate as set forth in the Loan Agreement and which may be converted to a different rate (including a fixed rate) pursuant to the terms of the Loan Agreement, and the execution and delivery of such Bonds by the Chairperson and Secretary shall constitute approval thereof by the Authority. The Chairperson and Secretary are hereby authorized and directed to approve such principal amount and interest rates for the Bonds, within the foregoing limits, by and on behalf of the Authority, and to execute, seal and authenticate the Bonds.

Section 5. Loan Agreement. The Authority shall loan the proceeds of the Bonds to the Borrower pursuant to the Loan Agreement and the form and content of the Loan Agreement, the provisions of which are incorporated herein by reference, be authorized, approved and confirmed. The Executive Director is authorized and directed to execute, seal and deliver the Loan Agreement, but with such changes, modifications, additions or deletions therein as shall be approved by counsel to the Authority and that from and after the execution and delivery of the Loan Agreement, the Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement as executed.

Section 6. Tax Regulatory Agreement. The Authority and the Borrower shall set forth certain representations and certifications with respect to the Bonds as required by the Code in the Tax Regulatory Agreement, the form and content of the Tax Regulatory Agreement, the provisions of which are incorporated herein by reference, be authorized, approved and confirmed. The

Executive Director is hereby authorized and directed to execute, seal and deliver the Tax Regulatory Agreement but with such changes, modifications, additions or deletions therein as shall be approved by counsel to the Authority.

Section 7. Execution of Documents. The Executive Director and the Chairperson are authorized to execute and deliver for and on behalf of the Authority any and all additional agreements, certificates, documents, opinions or other papers and perform all other acts (including without limitation the filing of any financing statements or any other documents to create and maintain a security interest on the properties and revenues pledged or assigned under the Loan Agreement, and the execution of all closing documents as may be required by Bond Counsel and approved by Program Counsel, and the acceptance of any documentation evidencing indemnification of the Authority by Borrower in connection with the transactions contemplated hereby) as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 8. Payments Under the Loan Agreement. The Loan Agreement requires the Borrower in each year to pay amounts as loan payments sufficient to pay the principal of, premium, if any, and interest on the Bonds when and as due, and the payment of such amounts by the Borrower to the Purchaser pursuant to the Loan Agreement is hereby authorized, approved and confirmed.

Section 9. Limited Obligations. The Bonds shall be limited obligations of the Authority, payable solely out of the loan payments required to be paid by the Borrower pursuant to and in accordance with provisions of the Loan Agreement, and are secured pursuant to and in accordance with provisions of the Loan Agreement. The Bonds and interest thereon shall never constitute an indebtedness of the Authority, within the meaning of any state constitutional provision or statutory limitation, and shall not give rise to a pecuniary liability of, or claim against, the Authority or a charge against its general credit or general fund.

Section 10. Severability. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

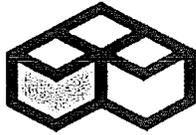
Section 11. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

---

David D. Jamison, Secretary

(Seal)



IOWA FINANCE AUTHORITY

David D. Jamison, Executive Director
2015 Grand Avenue
Des Moines, Iowa 50312
(515) 725-4900 - (800) 432-7230

FOR IFA USE ONLY

Project No. ED 14-08
Application Received 7/21/14
Application Fee Received? [checked]
Volume Cap? [ ] Yes [checked] No
Amount of Request \$ 25,500,000

Application forms can be obtained from the Authority's website at www.IowaFinanceAuthority.gov

ECONOMIC DEVELOPMENT BOND APPLICATION

Part A - Borrower Information

- 1. Project Name: The Kahl Home Project
2. Contact Person/Title: Rosalie Thomas
Company: Kahl Home for the Aged and Infirm
Address: 6701 Jersey Ridge Road
City, State, Zip: Davenport, IA 52807
Telephone: (563) 324-1621 E-mail: rthomaskahl@aol.com
5. Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.
See attached for list of officers/directors
Rosalie Thomas- Administrator, Sr. Teresa Kennedy- Assistant Administrator, Rachel King- Director of Finance, Cherie Brauer Neuhalfen- Director of Nursing, Sr. Ann Elizabeth Brown- President
6. If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose: Please see attached for evidence of 501(c)(3) status. The Borrower's purpose is to maintain a home or homes for elderly people; to care for people needing assistance because of infirmity and to carry on philanthropic and religious activities in consonance with the doctrines of the Roman Catholic Church.
7. Is the Borrower currently qualified to transact business within the State of Iowa? Yes [X] No [ ]
8. If project is a Nursing Facility, is state certificate of need required: [ ] Yes [X] No
9. Total current FTE's of Borrower: 156
Number of permanent FTE's created by the project: N/A- refunding

**Part B - Project Information**

1. This Project qualifies for financing pursuant to the Economic Development Loan Program as land, buildings or improvements suitable for use as one of the following facilities (Check one):

501 c (3) entity:

Private college or university

Housing facility for elderly or disabled persons

Museum or library facility

Voluntary nonprofit hospital, clinic or health care facility as defined in Section 135c.1 (6) of the Iowa Code. Specify: Skilled and intermediate care nursing facility.

Other 501c (3) entity (please specify) \_\_\_\_\_

Manufacturing facility

Agricultural processing facility

Multi-family housing

Solid Waste facility

3. Amount of Loan Request:                    \$25,500,000

Amount to be used for refunding:    \$25,500,000

4. Address/Location of Project

Street/City/State    6701 Jersey Ridge Rd., Davenport Iowa 52807

County                    Scott County

5. General Project Description:

Refinancing of the Iowa Financing Authority's Variable Rate Health Facility Revenue Bonds, Series 2011 (The Kahl Home Project) (the "Bonds"), the proceeds of which were used to finance (i) the acquisition, construction, equipping and installation of an approximately 135-bed skilled nursing facility (the "Project"), (ii) certain capital expenditures necessary to facilitate the transition to the Project from the Borrower's prior facility, (iii) capitalizing interest on the Bonds and (iv) paying certain costs associated with the issuance of the Bonds.

**Part B - Project Information continued**

6. Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made?  
 X  No  
 \_\_\_ Yes, in the amount of \$\_\_\_\_\_ (There are IRS limitations on eligible reimbursable costs.)

7. Parties related to the Project:  
 a. Principal User will be:  Kahl Home for the Aged and Infirm   
 b. Seller (if any) of the Project: \_\_\_\_\_  
 c. Purchaser (if any) or Owner or Lessee of the Project: \_\_\_\_\_  
 d. Relationship of Project Seller and Purchaser, if any: \_\_\_\_\_

8. Sources and Uses of Project Funds (Sum of Sources and Uses must match):

Sources:		Amount	Uses:		Amount
Bond Proceeds		\$25,500,000	Refunding		\$24,750,000
_____		_____	Costs of Issuance		750,000
_____		_____	_____		_____
_____		_____	_____		_____
_____		_____	_____		_____
_____		_____	_____		_____
_____		_____	_____		_____
		\$25,500,000			\$25,500,000
	<b>Total</b>	_____		<b>Total</b>	_____

9. Type of Bond Sale  Public Sale  Private Placement

**Part C - Professionals Participating in the Financing**

**Applications must have either Bond Counsel or Underwriter/Financial Institution identified**

**1. Bond Counsel:** (an attorney hired by the borrower to ensure the bonds can be issued on a tax-exempt basis)

Name: Susan Price  
Firm Name: Ice Miller  
Address: 250 West Street, Suite 700  
City/State/Zip Code: Columbus, Ohio  
Telephone: (614) 462-1106 E-mail: susan.price@icemiller.com

**2. Counsel to the Borrower:**

Name: Linda Kirsch  
Firm Name: Shuttleworth & Ingersoll  
Address: 115 Third St. SE, Suite 500  
City/State/Zip Code: Cedar Rapids, IA 52401  
Telephone: (319) 365-9461 E-mail: lmk@shuttleworthlaw.com

**3. Underwriter or Financial Institution purchasing the bonds:**

Name: Erik Jones  
Firm Name: RBS Citizens  
Address: 28 State Street MS 1420  
City/State/Zip Code: Boston, MA 02109  
Telephone: 617-994-7020 E-mail: erik.m.jones@rbscitizens.com

**4. Counsel to the Underwriter:**

Name: \_\_\_\_\_  
Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**5. Trustee: (if needed)**

Name: \_\_\_\_\_  
Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**PART D - Fees and Charges**

1. A non-refundable application fee must accompany this form at the time of submission to the Authority. For applications up to \$10 million, the application fee is \$1,000. For applications over \$10 million, the application fee is \$2,500. The application fee is subtracted from the Issuer's fee at closing.

Applications will expire if the bonds are not issued within 18 months.

Submit application to the Authority at the following address:

Lori Beary  
Community Development Director  
Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, IA 50312

2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first \$10 million and declines after that. Please contact Lori Beary at 515-725-4965 or [lori.beary@iowa.gov](mailto:lori.beary@iowa.gov) for more information.
3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Claypool ( [claypool.david@dorsey.com](mailto:claypool.david@dorsey.com) ) or David Grossklaus ( [Grossklaus.David@dorsey.com](mailto:Grossklaus.David@dorsey.com) ) at Dorsey & Whitney and the Authority's Community Development Director ( [lori.beary@iowa.gov](mailto:lori.beary@iowa.gov) ).

Dated this 18<sup>th</sup> day of July, 2014

Borrower: The Kahl Home for the Aged and Infirm

By: Rosalie Thomas  
Title: Administrator

**KAHL HOME FOR THE AGED AND INFIRM**

**OFFICERS**

Sister Ann Elizabeth Brown	President
Sister M. Jeanne Francis Haley	Vice President
Mrs. Rosalie Thomas	Treasurer
Mrs. Shawna Graham	Secretary

**BOARD OF DIRECTORS**

Sister Ann Elizabeth Brown

Sister M. Anthony de Lourdes Veilleux

Sister M. Jeanne Francis Haley

Sister Diane Marie Mack

Sister Maria Robert Mullen

Sister Patricia M. Rawdon

Sister Rosemary Rubocki

Mrs. Shawna Graham

Joseph Lohmuller, M.D.

Mr. Robert McCabe

Mr. Michael McCarthy - Chairman

Mr. Joseph Polaschek

Ms. Judith K. Pranger

Mrs. Mary Rehmman

Mr. Thomas Sunderbruch

**Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201**

**Department of the Treasury**

**Date: June 4, 2014**

**Person to Contact:**

Roger Meyer ID# 0110429

**Toll Free Telephone Number:**

877-829-5500

**Employer Identification Number:**

53-0196617

**Group Exemption Number:**

0928

United States Conference of Catholic  
Bishops  
3211 4<sup>th</sup> Street, NE  
Washington, DC 20017-1194

Dear Sir/Madam:

This responds to your May 19, 2014, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the *Official Catholic Directory for 2014*, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the *Official Catholic Directory for 2014* are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

Donors may deduct contributions to you and your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gifts tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

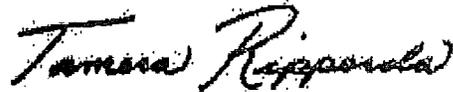
Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

in your group exemption by consulting the *Official Catholic Directory*, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, *Group Exemption*, for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Tamera Ripperda".

Tamera Ripperda  
Director, Exempt Organizations

CALIFORNIA • MICHIGAN • MINNESOTA • MISSISSIPPI • MISSOURI • WEST VIRGINIA • NEW YORK • NEVADA  
NORTH DAKOTA • PENNSYLVANIA • SOUTH CAROLINA • SOUTH DAKOTA • MARYLAND • ARKANSAS  
ALABAMA • COLORADO • ARIZONA • MAINE • TEXAS • UTAH • ALASKA •  
IOWA • LOUISIANA • WISCONSIN • TENNESSEE • IDAHO •  
GEORGIA • DELAWARE • ILLINOIS • KANSAS • NORTH CAROLINA • OREGON • NEBRASKA • KENTUCKY  
NEW HAMPSHIRE • NEW JERSEY • NEW MEXICO • CONNECTICUT • FLORIDA • MASSACHUSETTS  
INDIANA • OKLAHOMA • RHODE ISLAND • MONTANA •  
HAWAII • WASHINGTON • VIRGINIA • VERMONT • WYOMING • OHIO •

1817

2014



# The Official Catholic Directory

Anno  
Domini

2014

Published Annually by  
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(1891) (1857) 663-732 Tel: 663

Bandorf, Ramon C., Clinton... Mitchell A., Solon... Daniel L., Davenport... Erick, Edwin D., Moltross... David L., Solon... Robert O., Davenport... Donald, Dennis H., Muscatine... Major Charles A., Bettendorf... Mr. Jerome A., Iowa City... Montgomery, David, Oxford... Marcell G., Davenport... William D., Grinnall... John S., Grinnall... Amussen, Richard J., Bettendorf... David, Wallman... Joseph I., Davenport... David U., Ft. Madison

Schmitt, John H., Low Moor... Schuetzko, Jeffrey O., Clinton... Shaw, Robert W., Davenport... Shell, Michael D., Davenport... Savely, Robert E., Tipton... Steln, Ronald K., Dunesblow... Strider, George D., Davenport... Tomelich, Anton J., Muscatine... Vonderhaar, James J., West Point... Wegner, John J., Davenport... Weber, John R., Bettendorf

Donart, Arthur C., Thomsen, IL... Gutierrez, Julian, Alexandria, VA... Lannon, Patrick, Napoleonville, IL... O'Connor, Arthur, Olathe, KS... Schroeder, William E., Carroll, IA

Incardinated Elsewhere While Working in the Diocese: Deacons: Agnoli, Frank L., Davenport... Barry, James T. (Jim), Ed.D., Iowa City... Barger, Donald L., Falls... Fortin, Daryl G., Bettendorf... Goetz, Daniel A., Newton... Gelsomo, Gregory G., Fort Madison... Moatsch, Michael E., LeClaire... Mowson, M. Anthony, Muscatine

Incardinated in the Diocese and Working or Retired Outside the Diocese: Deacons: Cadena, Juan J., TX

INSTITUTIONS LOCATED IN THE DIOCESE

(A) COLLEGES AND UNIVERSITIES

Davenport. St. Ambrose University, 518 W. Loonst... 52803-2898, Tel: 563-339-8900; Fax: 563-388-... Email: admit@stau.edu. Web: www.stau.edu... Dr. Joan Leachnick, O.S.J., Pres.; Dr. Paul Koch, ... Pres. Academic Affairs; Michael Foster, O.F.M., ... Pres. Finance; James Stanglo, Vice Pres. ...; John Cooper, Vice Pres. Enrollment ...; Rev. Charles A. Adam, Campus Chap.; ... Christopher Clow, Dir. Music Ministry & Liturgy; ... Charles A. Adam, Dir. Campus Ministry; ... Della Delahury, Dir. Faith Formation; Mary ... Librarian; James E. Dir. Priests & Sisters ...; Total Faculty & Staff 606; Students 8,607... Faculty: Revs. Charles A. Adam; Joseph Da ...; S.T.D. (B.A.); Edmund J. Dunn, Ph.D. ...; Robert L. Grant, Ph.D. (DM); George W. ...; Ph.D. (Retired); Brian Mielot, Ph.D.

Rd. 52632-2899, Tel: 319-524-5450; Fax: 319-524-7728, Laura Marset, Chief Admin. & Prin. St. Vincent's Extended Day Care Program, 2981 Plank Rd., 52632-5452, Tel: 319-524-5450. Lay Teachers 10; Students 75.

(D) ELEMENTARY SCHOOLS, INTERPAROCHIAL

DAVENPORT. All Saints Catholic School, (Grades K-8), 1926 N. Marquette St., 52804-2188, Tel: 563-824-3205; Fax: 563-824-3311, Jeanne Von Feldt, Dir.; David Sowals, Librarian, Lay Teachers 27; Students 400. BURLINGTON. Burlington Notre Dame Schools, Inc., (Grades Pre-K-8), Notre Dame Elementary School, 700 S. Roosevelt Ave., 52801-1892, Tel: 319-762-3776; 319-764-4417; Fax: 319-762-6680, Joanfor Alonel, Prin.; Conita Slavson, Librarian, Lay Teachers 14; Students 243. MUSCATINE. Saints Mary and Mathias Catholic School, 2407 Cedar St., 52761-2696, Tel: 563-263-3264; Fax: 563-263-6700. Web: www.somarymathiascatholicsschool.org. Benjamin Nitzel, Prin.; Carla Maske, Librarian, Lay Teachers 16; Students 226. CRYSTAL. Selon Catholic School, 117 E. Fourth St., 52501-2992, Tel: 641-682-8928; Fax: 641-682-6202, Julieanna Genz, Prin.; Conita Shaw, Librarian, Lay Teachers 9; Students 138.

Nazarath House, 906 W. Fifth St., 52802, Tel: 563-324-0900. Email: projectnazarath@provident.net. In Res. Ann Schwickorath; Carl Callaway. \*Thomas Norton House, Inc., P.O. Box 8876, 52808, Tel: 563-324-4472. Email: fuedj@nchc.com. James R. Tiedje, Contact Person.

(I) HOMES FOR AGED

DAVENPORT. Kahl Home for the Aged and Infirm, 6701 Jersey Ridge Rd., 52807, Tel: 563-324-1623; Fax: 563-324-1728, Sr. Teresa Kennedy, O.Carm., Asst. Admin. & Director; Rev. John E. Stachor, Chap. Carmelite Sisters for the Aged and Infirm, Sisters 6; Bed Capacity 135; Total Assisted 205; Total Staff 260. CLINTON. The Alverno Health Care Facility, ACHE Trinity Senior Living Community, 849 13th Ave. N., 52782, Tel: 563-242-1621; Fax: 563-243-3036. Email: lgonzman@thealverno.com. Web: www.thealverno.com. Bed Capacity 192; Total Assisted 831; Total Staff 198.

(B) HIGH SCHOOLS, INTERPAROCHIAL

Davenport. Assumption High School, 1020 W. Central Park Ave., 52804-1898, Tel: 563-326-5813; Fax: 563-326-8610. Email: craiga@assumption.pvt.k12.ia.us. Web: www.assumptionhigh.org. Mrs. Bridget Murphy, Prin.; Mr. Andrew Craig, Pres.; Mr. Joe Barner, Dean of Students, Lay Teachers 27; Students 480. CLINTON. Notre Dame Middle School - High School, 702 S. Roosevelt Ave., 52801-1602, Tel: 319-764-8481; Fax: 319-762-8690. Email: ron.glasgow@gopden.k12.ia.us. Ron Glasgow, Prin. Lay Teachers 16; Students 251.

(E) CATHOLIC STUDENT CENTERS IOWA CRUX. Newman Catholic Student Center 104 E. Jefferson St., 52245, Tel: 319-387-3106; Fax: 319-387-6868. Email: newman-center@iowa.edu. Web: www.newman-center.org. Rev. Edward J. Fitzpatrick, Dir.; Deacon James T. Barry, Ed.D., Exec. Dir.

(J) MONASTRIES AND RESIDENCES FOR PRIESTS AND BROTHERS

DAVENPORT. St. Vincent Center, 780 W. Central Park Ave., 52804-1901, Tel: 563-324-1811; Fax: 563-324-5842. Email: maaske@dayportdiocese.org. Web: www.dayportdiocese.org. Most Rev. William E. Franklin, D.D., Bishop Emeritus; Rev. Msgrs. John M. Hyland, V.G.; Michael J. Morzillo, M.A., J.O.L. (Retired); Marvin A. Mottet (Retired); Robert J. Walter (Retired); Revs. Maynard J. Brotherson (Retired); Thomas F. Stratman (Retired); Robert M. Strzlog. IOWA CRUX. O'Keefe Hall, 104 E. Jefferson St., 52245, Tel: 319-387-3106; Fax: 319-387-6858. Email: newman-center@iowa.edu. Web: www.newman-center.org. Rev. Edward J. Fitzpatrick, Dir. In Res. Revs. E. William Kaska (Retired); Timothy J. Regan; Vitold Valentin. WEVER. Generalata of the Brothers of the Poor of Saint Francis, 8405 190th St., 52668, Tel: 319-372-9543; Fax: 319-872-9648. Email: markgata@hughes.net. Web: www.brothersofthepoorofstfrancis.org.

(C) EDUCATION OPPORTUNITIES

CLINTON. Prince of Peace Catholic School, (Grades K-12), 312 S. 4th St., 52782-4409, Tel: 563-242-1403; Fax: 563-243-8272. Email: nancy.pearl@stfr.pri.nc.pvt.k12.ia.us. Web: www.pri.nc.pvt.k12.ia.us. Mrs. Nancy Pearl, Prin.; Kay Schwandinger, Business Mgr. Lay Teachers 22; Students 217. Prince of Peace Catholic High School, 312 S. 4th St., 52782, Tel: 563-242-1403; Fax: 563-243-8272. Email: nancy.pearl@stfr.pri.nc.pvt.k12.ia.us. Web: www.pri.nc.pvt.k12.ia.us. Prince of Peace Catholic Elementary, 312 S. 4th St., 52782, Tel: 563-242-1403; Fax: 563-243-8272. Email: nancy.pearl@stfr.pri.nc.pvt.k12.ia.us. Web: www.pri.nc.pvt.k12.ia.us. Mrs. Nancy Pearl, Prin.; Kay Schwandinger, Business Mgr. Prince of Peace Catholic Preschool-Childcare, 245 28th Ave. N., 52782, Tel: 563-242-9268. Mrs. Mary J. Jansen, Dir.; Mrs. Nancy Pearl, Prin. Students 78. FORT MADISON. Holy Trinity Schools, 2600 Ave. A, 52827, Tel: 319-872-3489; Fax: 319-872-6310. Email: chuck.oberth@holyschools.org. Web: www.holyschools.org. Mr. Charles Oberth, Chief Admin. of Holy Trinity Schools, Inc. Lay Teachers 37; Students 904. IOWA CRUX. The Regina Inter-Parish Catholic Education Center, 2140 Rochester Ave., 52245, Tel: 319-387-2680; Fax: 319-387-4109. Web: www.lcregina.com. Regina Junior Senior High School, 2150 Rochester Ave., 52245, Tel: 319-388-5488; Fax: 319-387-3917. Email: glenn.plummer@lcregina.com. Glenn Plummer, Prin. Lay Teachers 31; Students 483. Regina Elementary School, 2120 Rochester Ave., 52245-8627, Tel: 319-387-5789; Fax: 319-387-4109. Email: celaste.vincen@lcregina.com. Ms. Celeste Vincent, Prin. Lay Teachers 81; Students 388. Regina Religious Education, 2140 Rochester Ave., 52245, Tel: 319-852-1688; Fax: 319-387-4109. Jessica Franklin, D.R.R. Regina Special Events Office, 2140 Rochester Ave., 52245, Tel: 319-852-2456; Fax: 319-387-4109. Regina Preschool-Daycare, 2140 Rochester Ave., 52245, Tel: 319-387-4188; Fax: 319-387-4108. Ms. Mary Peohova. Nokux, Kachuk Catholic Schools, Inc., 2981 Plank

(F) RESIDENTIAL ADOLESCENT BOARD OPPORTUNITIES CLINTON. Arch. Inc., Box 0278, 52738-0278, Tel: 563-243-9086; Fax: 563-243-7796. Email: bethyk1999@hotmail.com. Keith Kalauka, Exec. Dir. Total Assisted 19; Total Staff 32. Arch I, 402 S. Fourth St., 52732, Tel: 563-243-9880. Arch II, 794 Fifth Ave. S., 52732, Tel: 563-242-5082. Arch III, 605 7th Ave. S., 52732, Tel: 563-242-8740.

(G) GENERAL HOSPITALS

CENTREVILLE. Mercy Medical Center - Centerville, One St. Joseph's Dr., 52644, Tel: 641-487-4111; Fax: 641-487-5904. Web: www.mercycenterville.org. Clint Christanson, Pres. Owned by Mercy Medical Center, Des Moines; Attended from St. Mary's, Centerville. Bed Capacity 25; Patients Assisted Annually 180,000; Total Staff 240. Legacies, The Foundation of Mercy Medical Center, Tel: 641-487-3484; Fax: 641-487-3804, Ann Young, Pres. CLINTON. Mercy Medical Center - Clinton a subsidiary of ONE-Trinity Health, Inc., 1410 N. Fourth St., 52782, Tel: 563-244-5656; Fax: 563-244-5692. Web: www.mercyclinton.com. Sean J. Williams, Pres. & CEO; Colleen M. Walters, Vice Pres. Regl. Mision Integration, Bed Capacity 163; Staff 800; Total Assisted Annually 170,000. Mercy Living Center - South, 698 S. Bluff Blvd., 52782, Tel: 563-244-8700; Fax: 563-244-9769. Bed Capacity 97. Mercy Living Center - North, 600 14th Ave. N., 52792, Tel: 563-244-3884; Fax: 563-244-3882. Bed Capacity 86. IOWA CRUX. Mercy Hospital, 600 E. Market St., 52245-2683, Tel: 319-389-0800. Web: www.mercyclaweb.org. Ronald R. Reed, Pres. & CEO; Tim Barczak, M.Div., Dir., Pastoral Care; Rev. Richard J. Beyer, Chap.; Rev. Mary Johnston, D.Min., Chap.; David Oakland, M.P.S., Chap.

(K) CONVENTS AND RESIDENCES FOR SISTERS

DAVENPORT. Franciscan Sisters of Christ the Divine Teacher, 2805 Boies Ave., 52802, Tel: 563-328-1602, Sr. Susan Ruess, O.S.F., Supr. Sisters 3. Humility of Mary Center - Motherhouse of the Congregation of the Humility of Mary, 820 W. Central Park Ave., 52801, Tel: 563-328-9486; Fax: 563-328-5209. Email: sisters@chmciowa.org. Web: chmciowa.org. Sr. M. Johanna Rickl, O.H.M., Pres. Total in Residence 38; Total Staff 46. Our Lady of the Prairies Retreat, 2664 146th Ave., Wheatland, 52777, Tel: 563-828-9466; Fax: 563-828-5209. Email: olprretreat@gmail.com. CLINTON. The Canticle, 841 18th Ave. N., 52782-5162, Tel: 563-242-7908; Fax: 563-242-6024, Sr. Anne Martin Phelan, O.S.F., Pres. Residence of the Sisters of St. Francis, Clinton, Iowa. Total in Residence 80. Sisters of St. Francis, Clinton, Iowa, Administrative Center, 843 18th Ave. N., 52782-5116, Tel: 563-242-7611; Fax: 563-249-0007. Email: sisters@clintonfranciscans.com. Sr. Anne Martin Phelan, O.S.F., Pres. Sisters 80. ELDORADO. Carmel of the Queen of Heaven Discalced Carmelite Nuns, 17887 260th St., 52748, Tel: 563-265-8887; Fax: 563-265-7487. Email: solitude@netins.net. Web: www.carmelofthequeenofheaven.org. Sr. Lynne Elvinger, O.C.D., Prioress. Professed Sisters 9.

(H) SOCIAL ACTION DEPARTMENTS

DAVENPORT. Project Renewal of Davenport, Inc.,

(L) MISCELLANEOUS

DAVENPORT. Assumption Foundation for K-12

## EXHIBIT B

### Notification of Hearing as Published

A copy of the publisher's proof of publication will be available at the meeting. The following is a copy of the notice itself.

#### Notice of Hearing on Iowa Finance Authority Economic Development Loan Program Bonds

A public hearing will be held on the 3rd day of September, 2014, at the Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa, at 8:30 a.m. on the proposal for the Iowa Finance Authority (the "Authority") to issue its Health Facility Revenue Refunding Bonds (The Kahl Home Project) in an aggregate principal amount not to exceed \$25,500,000 (the "Bonds") and to loan the proceeds thereof to Kahl Home for the Aged and Infirm (the "Borrower") for the purpose of refunding the Authority's outstanding Variable Rate Health Facility Revenue Bonds, Series 2011 (The Kahl Home Project), the proceeds of which were used for the purpose of financing the costs of (i) certain health care facilities of the Borrower, including, but not limited to the acquisition, construction, equipping and installation of an approximately 135-bed skilled nursing facility (the "Project") located at 6701 Jersey Ridge Road, Davenport, Iowa, (ii) certain capital expenditures necessary to facilitate the transition to the Project from the Borrower's existing facility located at 1101 West 9<sup>th</sup> Street, Davenport, Iowa, (iii) capitalizing interest on the Bonds and (iv) paying for costs associated with the issuance of the Bonds. The Project will be owned and operated by the Borrower.

The Bonds, when issued, will be limited obligations of the Authority and will not constitute a general obligation or indebtedness of the State of Iowa or any political subdivision thereof, including the Authority, nor will they be payable in any amount by taxation, but the Bonds will be payable solely and only from amounts received from the Borrower named above under a Loan Agreement between the Authority and the Borrower, the obligation of which will be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when they shall become due.

At the time and place fixed for the hearing, all individuals who appear will be given an opportunity to express their views for or against the proposal to issue the Bonds for the purpose of financing the Project, and all written comments previously filed with the Authority at its offices at 2015 Grand Avenue, Des Moines, Iowa 50312, will be considered.

David D. Jamison  
Executive Director  
Iowa Finance Authority

RESOLUTION  
ED 07-14B-1

Resolution Amending Resolution No. 07-14B Regarding not to exceed \$5,300,000 Iowa Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Five Star Holdings, LLC Project), Series 2007

WHEREAS, the Iowa Finance Authority (the "Authority") is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa, as amended (the "Act"), to issue revenue bonds to be used to pay the cost of defraying the cost of acquiring, constructing, improving and equipping certain projects described in the Act including solid waste disposal facilities; and

WHEREAS, the Authority was requested by Five Star Holdings, LLC (the "Original Borrower"), to issue not to exceed \$5,300,000 Iowa Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Five Star Holdings, LLC Project), Series 2007 (the "Bonds") for the purpose of loaning the proceeds thereof to the Original Borrower in order to finance the costs of acquisition and construction of the solid waste disposal facility components to the Original Borrower's dairy production facility located at 2996 Sorrel Avenue, Sanborn, Iowa 51248, within O'Brien County, Iowa, and pay the costs of issuance of the Bonds; and

WHEREAS, pursuant to Resolution No. 07-14B adopted by the Authority on September 12, 2007 (the "Bond Resolution"), the Authority authorized the issuance of the Bonds for the purpose of loaning the proceeds thereof to the Original Borrower to finance the Bonds; and

WHEREAS, pursuant to the Bond Resolution, the Authority issued the Bonds pursuant to that certain Trust Indenture dated as of September 1, 2007 (the "Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and

WHEREAS, the proceeds of the Bonds were loaned to the Original Borrower pursuant to that certain Loan Agreement dated as of September 1, 2007 (the "Loan Agreement") between the Authority and the Original Borrower; and

WHEREAS, payment of the principal of, purchase price for and interest on the Bonds is secured by (i) that certain Letter of Credit dated as of September 28, 2007 (the "Letter of Credit"), issued by Farm Credit Services of America (the "Letter of Credit Provider") pursuant to that certain Reimbursement Agreement dated as of September 1, 2007 between the Original Borrower and the Bank, and (ii) that certain Irrevocable Transferable Standby Letter of Credit No. SB15209 dated as of September 28, 2007 (the "Original Confirming Letter of Credit") issued by Rabobank International, New York Branch (the "Original Confirming Letter of Credit Provider"); and

WHEREAS, the Original Borrower assigned, and Van Ess Dairy, LLC (the "Borrower") assumed, all the obligations of the Original Borrower under the Loan Agreement pursuant to that

certain Assignment and Assumption Agreement dated as of March 30, 2008 between the Original Borrower and the Borrower, and consented to by the Letter of Credit Provider; and

WHEREAS, the Borrower anticipates that it will replace the Original Confirming Letter of Credit with a new confirming letter of credit (the "Replacement Confirming Letter of Credit") from a new provider (the "Replacement Confirming Letter of Credit Provider"); and

WHEREAS, as a result of the replacement of the Original Confirming Letter of Credit with the Replacement Confirming Letter of Credit, certain amendments are required to the Indenture and the Loan Agreement; and

WHEREAS, the Borrower has requested that the Authority authorize certain amendments to the Indenture pursuant to a First Supplement to Trust Indenture (the "First Supplement to Indenture") between the Authority and the Trustee in order to make such amendments to the Indenture as set forth in the First Supplement to Indenture; and

WHEREAS, the Borrower has further requested that the Authority authorize certain amendments to the Loan Agreement pursuant to a First Amendment to Loan Agreement (the "First Amendment to Loan Agreement") between the Authority and the Borrower in order to make such amendments to the Loan Agreement as set forth in the First Amendment to Loan Agreement; and

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. First Supplement to Indenture. The First Supplement to Indenture is hereby approved in substantially the form submitted to the Board, with such variations therein as may be made at the time of execution thereof as approved by the Executive Director and counsel to the Authority, and the Executive Director is hereby authorized and directed to execute, seal and delivery the First Supplement to Indenture in the name and on behalf of the Authority.

Section 2. First Amendment to Loan Agreement. The First Amendment to Loan Agreement is hereby approved in substantially the form submitted to the Board, with such variations therein as may be made at the time of execution thereof as approved by the Executive Director and counsel to the Authority, and the Executive Director is hereby authorized and directed to execute, seal and deliver the First Amendment to Loan Agreement in the name and on behalf of the Authority.

Section 3. Execution of Documents. The Executive Director and/or the Chairperson are authorized to execute and deliver for and on behalf of the Authority any and all additional agreements, certificates, documents, opinions or other papers and perform all other acts (including without limitation the execution of all closing documents and any amendments to any existing documents relating to the Bonds as may be required by Bond Counsel and approved by Counsel to the Authority) as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 6. Limited Obligations. The Bonds shall continue to be limited obligations of the Authority, payable solely out of the loan payments required to be paid by the Borrower

pursuant to and in accordance with provisions of the Loan Agreement and are secured pursuant to and in accordance with provisions of the Loan Agreement. The Bonds and interest thereon shall never constitute an indebtedness of the Authority, within the meaning of any state constitutional provision or statutory limitation, and shall not give rise to a pecuniary liability of, or claim against, the Authority or a charge against its general credit or general fund.

Section 7. Severability. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 8. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

Passed and approved this 3rd day of September, 2014.

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David D. Jamison, Secretary

(Seal)



To: IFA Board of Directors  
From: Tammy Nebola, Iowa Ag Program Specialist  
Lori Beary, Community Development Director  
Date: August 22, 2014  
Re: Iowa Agricultural Division Beginning Farmer Loan Program

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## **Agenda**

### **Iowa Agricultural Development Division**

#### **Authorizing Resolutions**

##### **AG 14-034 Jason and Alissa Van Maanen**

This is a resolution authorizing the issuance of \$212,000 for Jason and Alissa Van Maanen. The bond will be used: To construct a 1,200 Hd Hog Nursery in Lyon County. The lender is American State Bank in Hull.

- **Need Board action on Resolution AG 14-034B**

##### **AG 14-035 Brock and Danniele Anderson**

This is a resolution authorizing the issuance of \$75,000 for Brock and Danniele Anderson. The bond will be used: To construct a shed for use in cattle operation in Calhoun County. The lender is Security Savings Bank in Farnhamville.

- **Need Board action on Resolution AG 14-035B**

##### **AG 14-036 Brian Schmitt**

This is a resolution authorizing the issuance of \$27,000 for Brian Schmitt. The bond will be used: To purchase Ewes and approximately 200 hd sheep in Plymouth County. The lender is Iowa State Bank in Remsen.

- **Need Board action on Resolution AG 14-036B**

##### **AG 14-037 Patrick J. and Stacy J. Flynn**

This is a resolution authorizing the issuance of \$500,000 for Patrick J. and Stacy J. Flynn. The bond will be used: To purchase approximately 451 acres of agricultural land in Keokuk County. The lender is Libertyville Savings Bank in Keota.

- **Need Board action on Resolution AG 14-037B**

##### **AG 14-038 Cory J. Moore**

This is a resolution authorizing the issuance of \$240,000 for Cory J. Moore. The bond will be used: To purchase approximately 201 acres of agricultural land in Marion County. The lender is U.S. Bank, N.A. in Pella.

- **Need Board action on Resolution AG 14-038B**

**RESOLUTION  
AG 14-034B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested

by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number: AG 14-034**
- 2. Beginning Farmer: Jason and Alissa Van Maanen  
3251 240th St  
Doon, IA 51235-8034**
- 3. Bond Purchaser: American State Bank  
624 Main St, PO Box 806  
Hull, IA 51239-0806**
- 4. Principal Amount: \$212,000**
- 5. Initial Approval Date: 9/3/2014**
- 6. Public Hearing Date: 8/22/2014**
- 7. Bond Resolution Date: 9/3/2014**
- 8. Project: To construct a 1,200 Hd Hog Nursery**

**RESOLUTION  
AG 14-035B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-035
- 2. Beginning Farmer:** Brock and Danniele Anderson  
3811 Red Oak Ave  
Lohrville, IA 51453-7577
- 3. Bond Purchaser:** Security Savings Bank  
320 Garfield Ave, PO Box 126  
Farnhamville, IA 50538-0126
- 4. Principal Amount:** \$75,000
- 5. Initial Approval Date:** 9/3/2014
- 6. Public Hearing Date:** 8/22/2014
- 7. Bond Resolution Date:** 9/3/2014
- 8. Project:** To construct a shed for use in cattle operation

**RESOLUTION  
AG 14-036B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-036
- 2. Beginning Farmer:** Brian Schmitt  
22782 Highway 140  
Remsen, IA 51050-8612
- 3. Bond Purchaser:** Iowa State Bank  
17 W 2nd St, PO Box 569  
Remsen, IA 51050-0569
- 4. Principal Amount:** \$27,000
- 5. Initial Approval Date:** 9/3/2014
- 6. Public Hearing Date:** 8/22/2014
- 7. Bond Resolution Date:** 9/3/2014
- 8. Project:** To purchase Ewes and approximately 200 hd sheep

**RESOLUTION  
AG 14-037B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-037
- 2. Beginning Farmer:** Patrick J. and Stacy J. Flynn  
604 Ringgold St  
Sigourney, IA 52591-1737
- 3. Bond Purchaser:** Libertyville Savings Bank  
225 E Broadway, PO Box 68  
Keota, IA 52248-0068
- 4. Principal Amount:** \$500,000
- 5. Initial Approval Date:** 9/3/2014
- 6. Public Hearing Date:** 8/22/2014
- 7. Bond Resolution Date:** 9/3/2014
- 8. Project:** To purchase approximately 451 acres of agricultural land

**RESOLUTION**  
**AG 14-038B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapters 16 and 175 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of September, 2014.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 14-038
- 2. Beginning Farmer:** Cory J. Moore  
999 Story Dr  
Knoxville, IA 50138-8738
- 3. Bond Purchaser:** U.S. Bank, N.A.  
801 Broadway  
Pella, IA 50219
- 4. Principal Amount:** \$240,000
- 5. Initial Approval Date:** 9/3/2014
- 6. Public Hearing Date:** 8/22/2014
- 7. Bond Resolution Date:** 9/3/2014
- 8. Project:** To purchase approximately 201 acres of agricultural land



To: Iowa Finance Authority Board  
 From: Ashley Jared, Emily Toribio  
 Date: August 22, 2014  
 Re: September 2014 Communications Report

**2014 HOUSINGIOWA CONFERENCE**  
 Awesometown has set record registrations and sponsorships! Full details and the agenda are available on the conference web site: [www.ifameetings.com](http://www.ifameetings.com).



**Registration Tracker**

	<b>Total Goal</b>	<b>Current Total</b>	<b>Final Total</b>
<b>2014</b>	500	<b>527</b>	
2013			446
2012			464

**Sponsorship Tracker**

	<b>Total Goal</b>	<b>Current Total</b>	<b>Final Total</b>
<b>2014</b>	50,000	<b>56,900</b>	
2013			42,100
2012			32,300

**MEDIA RELATIONS**

August 7: [Iowa Finance Authority Awards more than \\$2.5 Million in Federal Grants to Assist Iowa Agencies with Homelessness Prevention and Assistance Initiatives](#)

August 13: [Iowa Finance Authority to Host 2014 HousingIowa Conference September 3-5 in Des Moines](#)

**UPCOMING EVENTS**  
 Sept. 11-12: ISU Center Ag Law Tax Seminar, Ames  
 Sept. 11-14: Annual National Cattle Congress, Waterloo  
 Sept. 16-18: Iowa Association of REALTORS Convention, Cedar Rapids  
 Sept. 18-19: Iowa Society of CPAs Fall Conference, West Des Moines  
 Sept. 21-23: Iowa Bankers Association Convention, Des Moines  
 Sept. 24: Professional Developers of Iowa Conference, Moravia



### Council sells Lincoln School to Seldin Company

August 20, 2014 – Creston News Advertiser

...one of two grants. Those include a Community Development Block (CDBG) grant or Housing Tax Credit grant through Iowa Finance Authority.

### New housing options for Orange City, IA

August 18, 2014 - KTIV News Channel 4

led by Excel Development Group, will include 14 new housing units. **The Iowa Finance Authority**, which is one of Excel Developments' partners in...

### Jack Hatch's record shows no clear conflicts of interest

August 17, 2014 - The Des Moines Register

...fourth affected the manner in which developments using low-income **housing tax credits** would be classified for property tax purposes. The Republican...

### Grant to agency serving Tama County domestic violence, sexual assault victims

August 17, 2014 - TamaToledoNews.com

...the recent recipient of a grant totaling \$69,372 approved by **the Iowa Finance Authority** Board of Directors. The funding comes from federal and...

### Review: Hatch followed public financing rules

August 16, 2014 - The Des Moines Register

...criticism of profits misleading | At a glance: How low-income **housing tax credits** work Hatch deals rely on array of incentives Low-income **housing**...

### How low-income housing tax credits work

August 16, 2014 - The Des Moines Register

How low-income **housing tax credits** work The engine driving many of Jack Hatch's real estate projects has been the low-income housing tax credit,

### Iowa Finance Authority to Host 2014 HousingIowa Conference September 3-5 in Des Moines

Aug 14 2014 – River Cities Reader

DES MOINES – The Iowa Finance Authority will host housing professionals from throughout the state at the Des Moines Marriott Downtown for the HousingIowa Conference Sept. 3-5. The conference, themed Awesometown, will showcas... [article continues]

### 500 Housing Professionals to attend HousingIowa Conference

August 13, 2014 – Corridor Business Journal

The Iowa Finance Authority is expecting to host 500 housing professionals from throughout the state for the HousingIowa Conference, Sept. 3-5 at the Des Moines Marriott Downtown, 700 Grand Ave., Des Moines.

The conference, themed Awesometown, will showcase the wide-ranging benefits affordable housing has on communities. Attendees will hear from national housing experts, discuss local issues and network with housing professionals. The event is open to anyone interested in learning more about the industry. The registration fee is \$200. For more information, visit <http://ifameetings.com>.

### Wapello, state agree on sewer project financing

Aug 09 2014 – Quad City Times

...will provide \$2 million to fund sewer improvement work in Wapello was approved recently by the City Council. The Iowa Finance Authority will provide the revenue, which will be repaid by the city through sewer revenue? ...\$2 million ... [article continues]

### Homeless prevention and assistance grants awarded

August 8, 2014 – Corridor Business Journal

The Iowa Finance Authority Board of Directors recently approved more than \$2.5 million in homeless assistance grants to assist 28 agencies with homelessness prevention and assistance initiatives during the 2015 calendar year

The funding is made available through the federal Emergency Solutions Grant program, which is administered by the U.S. Department of Housing and Urban Development and by the Iowa Finance Authority in Iowa.

Awards announced to Corridor agencies were:

- Shelter House, Johnson County, \$150,000 for shelter and rapid rehousing.
- Hawkeye Area Community Action Program, Benton, Iowa, Johnson, Linn, Washington, Buchanan, Cedar and Delaware counties, \$150,000 for shelter and rapid rehousing.
- Cedar Valley Friends of the Family, Allamakee, Benton, Black Hawk, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, Jones, Winnishiek, \$132,793 for prevention, shelter and rapid rehousing.
- Waypoint Services for Women, Children and Family, Linn County, \$123,525 for prevention, shelter and rehousing.
- Area Substance Abuse Council, Linn County, Linn and Clinton counties, \$82,350 for prevention.
- Catherine McAuley Center, Linn County, \$73,292 for shelter.

### Information & The Music of Your Life

Aug 08 2014 - KWOA

...- A northwest Iowa agency will share in more than \$2.5 million in homeless assistance grants awarded by the Iowa Finance Authority. The funding is made available through the federal Emergency Solutions Grant program administered by the... [article continues]

### Iowa Finance Authority Awards Local Grants

Aug 08 2014 - KIOW

The Iowa Finance Authority Board of Directors recently approved more than \$2.5 million in homeless assistance grants to assist 28 agencies with homelessness prevention and assistance initiatives during the 2015 calendar year...

### \$2 million is in the pipeline for sewer project

Aug 08 2014 – Muscatine Journal

...an agreement approved by the Wapello City Council during its meeting on Thursday. According to the agreement, the Iowa Finance Authority? ...Wapello, state agree on sewer project financing Quad City Times all 3 news articles & nb... [article continues]

### Iowa, Wapello reach accord on financing sewer improvements

August 08, 2014 - Quad-City Times

...improvement work in Wapello was approved by the City Council Thursday. **The Iowa Finance Authority** will provide the revenue, which will be repaid...

### UDMO benefits from \$123538 IFA awards

Aug 07 2014 – Spencer Daily Reporter

UDMO benefits from \$123538 IFA awards Spencer Daily Reporter DES MOINES -- The Iowa Finance Authority Board of Directors recently approved more than \$2.5 million in homeless assistance grants to assist 28 agencies with homelessness prevention... [article continues]

### \$2.5-million in Fed. grants awarded to IA Homelessness Prevention & Assistance Initiatives

Aug 07 2014 - KJAN

The Iowa Finance Authority Board of Directors recently approved... Urban Development and by the Iowa Finance Authority in Iowa. Among the recipients of..., parts of central and southern Iowa. \$59,292 was awarded ... counties in western... [article continues]

### Area agencies receive state grants

August 07, 2014 - Globe Gazette (AP)

Area agencies receive state grants MASON CITY | **The Iowa Finance Authority** Board has awarded homeless assistance grants to assist 28 agencies...

### Minger earns certification as land title professional

August 06, 2014 - Journal-Eureka

...provide title services backed by Iowa Title Guaranty, a division of **the Iowa Finance Authority**, Minger spent 14 months entering county land records...

### When a house becomes a home

July 23, 2014 - Globe Gazette (AP)

...100 other entries and received a \$5,000 Lowes gift card from **the Iowa Finance Authority** and the Iowa Realtors Association on July 15. The Britt...

### August Clips

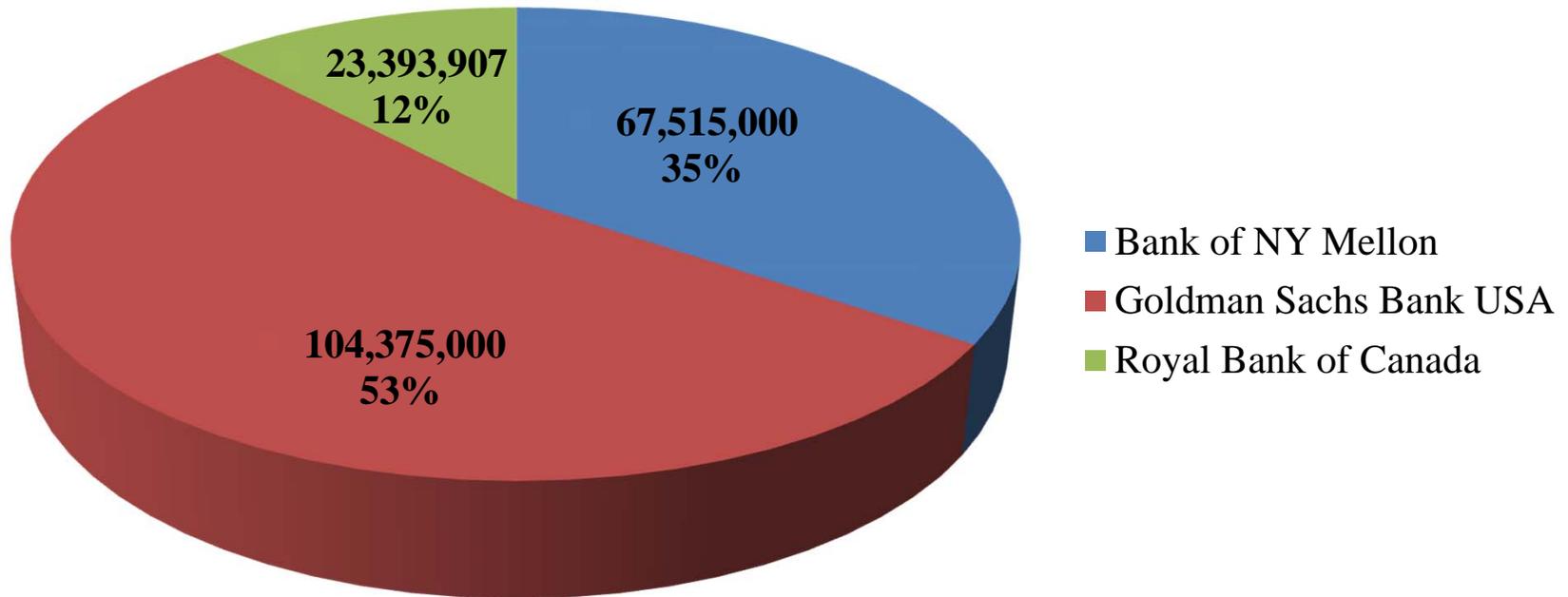
# Iowa Finance Authority

## Derivative and Liquidity Summary

As of 7/31/14

# Derivative Counterparty Exposure

\$195.3 Million



## Iowa Finance Authority Derivative Summary

as of 7/31/2014

### Single Family 1991 Indenture

Bond Series	Bond Type	Swap Counterparty	Counter Party Rating*	Derivative Type	Bonds Outstanding	Notional Outstanding Amount	Over (Under) Hedged	Swap Rate Paid by IFA	Rate Received by IFA		Swap Market Value	Weighted Average Remaining Life (years) **	Remaining Term of swap notional (years)	Maturity Date
									(6/30/14)	Spread				
2003 Series F	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	-	-	-	N/A	N/A	-	Term. 8/8/13	-	-	
2003 Series G (taxable)	LIBOR Floater	Bank of NY Mellon	Aa2/AA-/AA-	LIBOR Interest Rate Cap	-	-	-	N/A	N/A	-	Matured 7/1/13	-	-	
2004 Series B	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	11,425,000	-	(11,425,000)	4.028%	0.251%	-3.777%	(44,999)	-	19.9	7/1/2034
2004 Series D	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	7,725,000	7,340,000	(385,000)	4.007%	0.160%	-3.847%	20,183	-	5.9	7/1/2020
2004 Series G	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	9,285,000	8,830,000	(455,000)	3.867%	0.251%	-3.616%	(217,087)	1.2	19.9	7/1/2034
2005 Series C	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	3,460,000	2,770,000	(690,000)	4.140%	0.160%	-3.980%	(391,900)	1.1	21.9	7/1/2036
2005 Series E	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	9,205,000	9,205,000	-	3.817%	0.251%	-3.566%	(387,425)	2.0	21.4	1/1/2036
2005 Series H	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	7,040,000	6,685,000	(355,000)	3.843%	0.160%	-3.683%	(529,996)	1.1	21.9	7/1/2036
2006 Series C	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	10,985,000	12,000,000	1,015,000	3.766%	0.251%	-3.515%	(824,733)	2.5	21.4	1/1/2036
2006 Series F	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	3,130,000	3,130,000	-	4.632%	0.160%	-4.472%	(532,276)	1.7	21.9	7/1/2036
2007 Series C (taxable)	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	14,005,000	14,015,000	10,000	5.289%	0.151%	-5.138%	(1,984,728)	4.5	10.9	7/1/2025
2007 Series C (taxable)		Goldman Sachs Bank USA	A2/A/A	Floating-to-Floating Basis swap***		14,015,000		0.088%	0.406%	0.318%	(31,813)	4.5	10.9	7/1/2025
2007 Series G (taxable)	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	11,775,000	11,775,000	-	5.493%	0.152%	-5.341%	(1,054,695)	1.9	4.4	1/1/2019
2007 Series G (taxable)		Bank of NY Mellon	Aa2/AA-/AA-	Floating-to-Floating Basis swap***		11,775,000		0.088%	0.358%	0.269%	59,500	1.9	4.4	1/1/2019
2007 Series M (taxable)	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	9,960,000	9,960,000	-	4.373%	0.152%	-4.221%	(807,401)	2.6	6.9	7/1/2021
2007 Series N	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	Fixed-to-Floating Swap	4,085,000	4,780,000	695,000	4.364%	0.120%	-4.244%	(458,618)	3.5	24.4	1/1/2039
2008 Series B	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	6,290,000	6,345,000	55,000	3.880%	0.120%	-3.760%	(434,997)	2.0	24.4	1/1/2039
2008 Series C (taxable)	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	11,130,000	11,280,000	150,000	4.470%	0.151%	-4.319%	(723,104)	3.7	11.4	1/1/2026
2008 Series F	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	16,495,000	17,330,000	835,000	4.529%	0.140%	-4.389%	(993,992)	2.9	24.4	1/1/2039
2008 Series G (taxable)	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	7,490,000	7,705,000	215,000	4.173%	0.151%	-4.022%	(484,960)	1.9	3.9	7/1/2018
					143,485,000	158,940,000	(10,335,000)			(9,823,041)				

### Multifamily 2005 Indenture

Bond Series	Bond Type	Swap Counterparty	Counter Party Rating*	Derivative Type	Bonds Outstanding	Notional Outstanding Amount	Over (Under) Hedged	Swap or Cap Rate	Swap Market Value	Weighted Average Remaining Life (years) **	Remaining Term of swap notional (years)	Maturity Date		
													Multifamily 2007 A	VRDN
Multifamily 2007 B	VRDN	Bank of NY Mellon	Aa2/AA-/AA-	SIFMA Interest Rate Cap	8,645,000	9,300,000	655,000	4.5%; 5%; 5.5%	145,100	9.4	9.4	1/1/2024		
Multifamily 2008 A	VRDN	Goldman Sachs Bank USA	A2/A/A	Fixed-to-Floating Swap	3,650,000	3,650,000	-	3.971%	0.140%	-3.831%	(561,525)	9.2	9.8	6/1/2024
Multifamily Private Placement Sub-Series B-1	LIBOR Floater + 1.12%	Royal Bank of Canada	Aa3/AA-/AA	LIBOR Interest Rate Cap	11,108,907	11,108,907	-	6%	1	1.0	0.9	7/1/2015		
					35,203,907	36,343,907	1,140,000			(416,424)				

\* Ratings are Moody's / S&P / Fitch

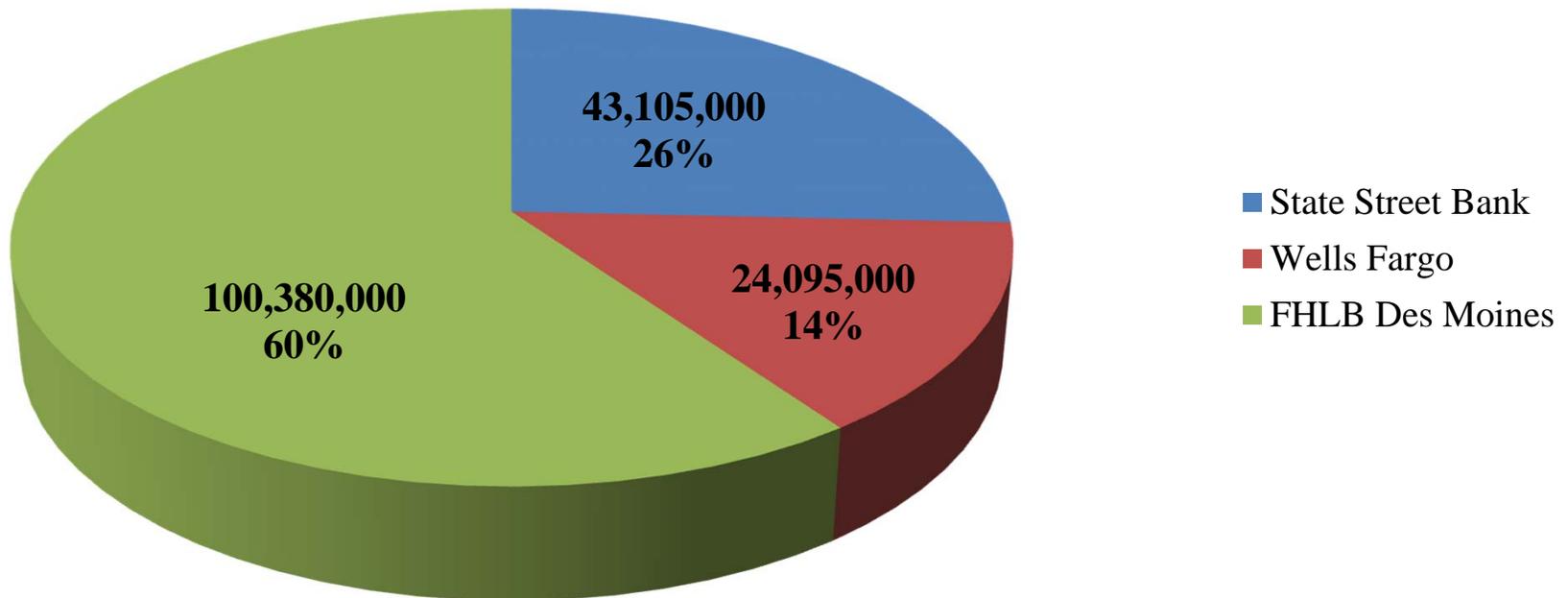
\*\* Based on exercising the full par termination options of the swap as of 7/1/14

\*\*\* Basis swaps which are layered to match the amortization of the Fixed-to-Floating swaps.

IFA receives 1 month LIBOR plus a spread from the counterparty on the basis swaps. In exchange for tax risk taken, IFA pays 147% of SIFMA to the counterparty

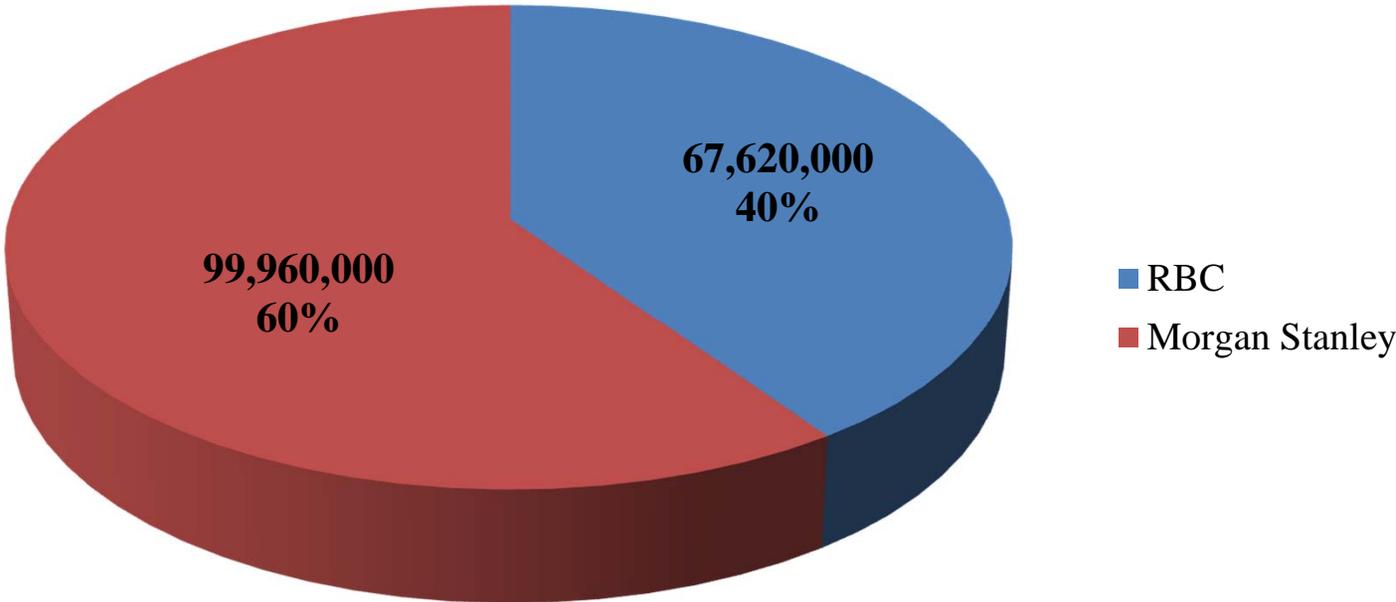
# Liquidity Counterparty Exposure

\$167.6 Million



# Remarketing Counterparty Exposure

\$167.6 Million



# Liquidity Provider Summary

Associated Bonds	Original	6/30/12 Balance	6/30/13 Balance	7/31/14 Balance	Liquidity Provider	Expiration Date	Remaining Term (years)	Annual Fee
<u>Single Family</u>								
2004 Series B	15,000,000	14,115,000	12,790,000	11,425,000	Federal Home Loan Bank - Des Moines	12/30/2015	1.4	0.25%
2004 Series D	17,000,000	10,605,000	9,520,000	7,725,000	Federal Home Loan Bank - Des Moines	12/30/2015	1.4	0.25%
2004 Series G	20,000,000	12,635,000	10,615,000	9,285,000	State Street Bank & Trust Co.	1/15/2018	3.5	0.70%
2005 Series C	24,000,000	15,645,000	8,440,000	3,460,000	State Street Bank & Trust Co.	1/15/2018	3.5	0.70%
2005 Series E	24,000,000	14,965,000	10,995,000	9,205,000	State Street Bank & Trust Co.	1/15/2018	3.5	0.70%
2005 Series H	24,000,000	16,580,000	12,465,000	7,040,000	State Street Bank & Trust Co.	1/15/2018	3.5	0.70%
2006 Series C	12,000,000	12,000,000	12,000,000	10,985,000	State Street Bank & Trust Co.	1/15/2018	3.5	0.70%
2006 Series F	12,000,000	10,130,000	5,665,000	3,130,000	State Street Bank & Trust Co.	1/15/2018	3.5	0.70%
2007 Series C	35,000,000	21,575,000	18,350,000	14,005,000	Federal Home Loan Bank - Des Moines	4/9/2016	1.7	0.25%
2007 Series G	33,000,000	19,360,000	15,875,000	11,775,000	Federal Home Loan Bank - Des Moines	4/9/2016	1.7	0.30%
2007 Series M	25,450,000	16,760,000	13,880,000	9,960,000	Federal Home Loan Bank - Des Moines	4/9/2016	1.7	0.25%
2007 Series N	14,550,000	13,265,000	5,930,000	4,085,000	Federal Home Loan Bank - Des Moines	4/9/2016	1.7	0.25%
2008 Series B	28,070,000	17,310,000	12,890,000	6,290,000	Federal Home Loan Bank - Des Moines	4/16/2015	0.7	0.25%
2008 Series C	29,465,000	19,520,000	16,025,000	11,130,000	Federal Home Loan Bank - Des Moines	4/16/2015	0.7	0.25%
2008 Series F	17,330,000	17,330,000	17,330,000	16,495,000	Federal Home Loan Bank - Des Moines	10/1/2015	1.2	0.25%
2008 Series G	22,500,000	15,510,000	12,140,000	7,490,000	Federal Home Loan Bank - Des Moines	2/3/2016	1.5	0.25%
	<b>353,365,000</b>	<b>247,305,000</b>	<b>194,910,000</b>	<b>143,485,000</b>				
<u>Multifamily</u>								
2007 Series AB	22,000,000	21,455,000	20,920,000	20,445,000	Wells Fargo Bank, NA	11/1/2016	2.3	0.70%
2008 Series A	3,750,000	3,650,000	3,650,000	3,650,000	Wells Fargo Bank, NA	11/1/2016	2.3	0.70%
	<b>25,750,000</b>	<b>25,105,000</b>	<b>24,570,000</b>	<b>24,095,000</b>				
<b>Total</b>	<b>379,115,000</b>	<b>272,410,000</b>	<b>219,480,000</b>	<b>167,580,000</b>				

## Liquidity Exposure

	6/30/2012	6/30/2013	7/31/2014	Counterparty Credit Rating
State Street Bank	81,955,000	60,180,000	43,105,000	Aa2/AA-
Wells Fargo	25,105,000	24,570,000	24,095,000	Aa3/AA-
FHLB Des Moines	165,350,000	134,730,000	100,380,000	Aaa/AA+
	<b>272,410,000</b>	<b>219,480,000</b>	<b>167,580,000</b>	

## Remarketing Exposure

	6/30/2012	6/30/2013	7/31/2014	Counterparty Credit Rating
RBC	123,800,000	92,695,000	67,620,000	Aa3/AA-
Morgan Stanley	148,610,000	126,785,000	99,960,000	Baa2/A-
	<b>272,410,000</b>	<b>219,480,000</b>	<b>167,580,000</b>	



To: Board of Directors of the Iowa Finance Authority  
 From: Tim Morlan & Derek Folden  
 Date: September 3, 2014  
 Re: Multifamily Loan Program Review

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**Production Status**

Loans in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Target Closing</u>	<u>Amount</u>	<u>Loan Type</u>
None				

Applications in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Amount</u>	<u>Loan Type</u>
Pebble Creek I, Mason City	Multifamily	\$405,000	P
Greenhill Townhomes, Waterloo	Multifamily	\$1,200,000	P
Wabash Place, Council Bluffs	Multifamily	\$1,200,000	C/P



To: IFA Board Members  
From: Title Guaranty Division  
Date: August 22, 2014  
Re: July Board Report

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### **Production/Title Guaranty Overview**

July 2014 Commitments and Certificates totaled 9321 compared to 13,084 in FY13. 93% of all Certificates and Commitments were field issued compared to 93% in FY 13. Volume increased slightly over June but continues to lag the volume of previous years. Refinance volume is down 73% from July 2013.

### **Compliance and Claims**

6 new claims were opened in July while 6 were closed. We currently have a total of 33 active claims, 7 of which are “watch waiting.” ITG conducted field audits of 4 closers in June, with no major issues identified.

Audits were conducted on five participating field issuers and/or closers and no major issues were identified.

### **Marketing**

- Advertising – *The Iowa Lawyer*, *BluePrint*, *Iowa HomeBuilders*, Iowa Association of Realtors *Benchmark* magazine

### **Business Development**

- During July, staff identified and trained the staff of 12 field issuers to begin testing the changes to CAP 2.0
- Real Estate Continuing Education class – Fort Dodge

### **Commercial**

July was the highest volume month in Iowa Title Guaranty Commercial history with total revenue of \$146,391.50. Commercial staff will be presenting at several workshops and seminars in the fall and is currently updating marketing and advertising.

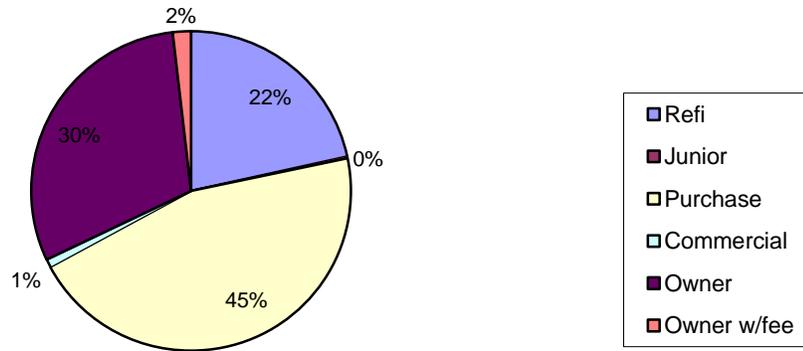
### **Mortgage Release**

For Fiscal Year 2014, we have received a total of 51 requests. Of those, 36 were in conjunction with the Rapid Certificate program. The remaining 15 requests included the \$100 fee.

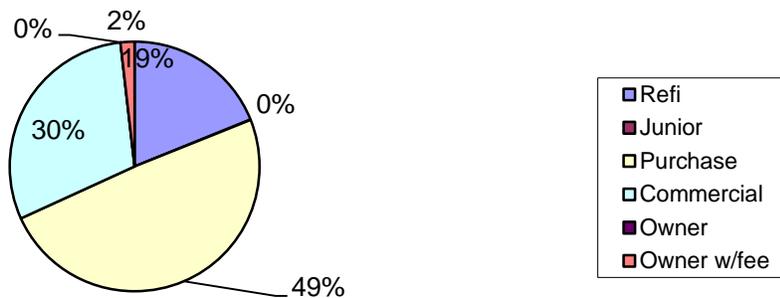
### July 2014 Transaction Breakdown

Refi	1008	Refi	\$91,921
Junior	8	Junior	\$385
Purchase	2124	Purchase	\$240,127
Commercial	38	Commercial	\$146,392
Owner	1414	Owner	\$ -
Owner w/fee	86	Owner w/fee	\$8,849
	4678		\$487,674

### July 2014 Certificate Breakdown



### July 2014 Revenue Breakdown



Total Coverage volume for July \$822,081,246.00

# Title Guaranty Quarterly Premiums

