Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , and ending

G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [ ] Name change

Name of foundation
THE ERIC D. & STEVEN D. HOVDE FOUNDATION
C/O HOVDE FINANCIAL, INC.

A Employer identification number 52-2107093

Number and street (or P O box number if mail is not delivered to street address) Room/suite
1826 JEFFERSON PLACE, NW

B Telephone number 202-775-8109

City or town, state, and ZIP code
WASHINGTON, DC 20036

C If exemption application is pending, check here ▶[ ]
D 1. Foreign organizations, check here ▶[ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶[ ]
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶[ ]
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶[ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 12,169,161.

J Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) *(Part I, column (d) must be on cash basis)*

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	662,737.		N/A	
	2 Check ▶[ ] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	220,624.	220,624.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	481,316.			
	b Gross sales price for all assets on line 6a 8,402,752.				
	7 Capital gain net income (from Part IV, line 2)		96,870.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	1,364,677.	317,494.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	105,000.	0.		105,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	12,640.	0.		12,640.
	16a Legal fees STMT 2	9,069.	0.		9,069.
	b Accounting fees STMT 3	4,200.	2,100.		2,100.
	c Other professional fees STMT 4	90,380.	90,380.		0.
	17 Interest				
	18 Taxes STMT 5	2,000.	0.		0.
	19 Depreciation and depletion	17,823.	0.		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	122,787.	0.		122,787.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	363,899.	92,480.		251,596.
	25 Contributions, gifts, grants paid	1,398,974.			1,398,974.
	26 **Total expenses and disbursements.** Add lines 24 and 25	1,762,873.	92,480.		1,650,570.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<398,196.>			
	b **Net investment income** (if negative, enter -0-)		225,014.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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19481002 792894 522107093 2010.04030 THE ERIC D. & STEVEN D. HOV 52210701

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	5,202.	18,840.	18,840.
	2 Savings and temporary cash investments	2,034,870.	1,373,455.	1,373,455.
	3 Accounts receivable ▶ 8,392.			
	Less: allowance for doubtful accounts ▶	7,734.	8,392.	8,392.
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 8	9,874,873.	9,748,896.	9,748,896.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶ 1,096,375.			
	Less accumulated depreciation STMT 9 ▶ 76,797.	641,308.	1,019,578.	1,019,578.
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	12,563,987.	12,169,161.	12,169,161.
Liabilities	17 Accounts payable and accrued expenses	22,844.	25,714.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	22,844.	25,714.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	12,541,143.	12,143,447.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	12,541,143.	12,143,447.	
	31 **Total liabilities and net assets/fund balances**	12,563,987.	12,169,161.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	12,541,143.
2	Enter amount from Part I, line 27a	2	<398,196.>
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	500.
4	Add lines 1, 2, and 3	4	12,143,447.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,143,447.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SHORT-TERM - CHARLES SCHWAB - SEE ATTACHMENT	P	VARIOUS	VARIOUS
b	LONG-TERM - CHARLES SCHWAB - SEE ATTACHMENT	P	VARIOUS	VARIOUS
c	LONG-TERM - BNP - SEE ATTACHMENT	P	VARIOUS	VARIOUS
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	6,727,456.		6,765,130.	<37,674.>
b	1,674,902.		1,540,288.	134,614.
c	394.		464.	<70.>
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				<37,674.>
b				134,614.
c				<70.>
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } 2 96,870.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 3 N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	1,322,137.	12,051,088.	.109711
2008	790,164.	8,365,520.	.094455
2007	773,334.	8,403,422.	.092026
2006	432,656.	7,584,248.	.057047
2005	831,912.	6,796,771.	.122398

2	Total of line 1, column (d)	2	.475637
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.095127
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	10,968,122.
5	Multiply line 4 by line 3	5	1,043,365.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,250.
7	Add lines 5 and 6	7	1,045,615.
8	Enter qualifying distributions from Part XII, line 4	8	2,046,025.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b		1	2,250.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	2,250.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	2,250.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 2,000.		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 3,000.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	5,000.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	2,750.
11 Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶	2,750. **Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to **1a** *or* **1b**, *attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ DC			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ WWW.HOVDEFOUNDATION.ORG

14 The books are in care of ▶ ERIC D. HOVDE Telephone no. ▶ 202-775-8109

Located at ▶ 1826 JEFFERSON PLACE, WASHINGTON, DC ZIP+4 ▶ 20036

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A 5b
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53.4945-5(d)
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b X (No)
If "Yes" to 6b, file Form 8870.
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A 7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ERIC D. HOVDE 1826 JEFFERSON PLACE, NW WASHINGTON, DC 20036	NONE 0.00	0.	0.	0.
STEVEN D. HOVDE 968 WILLIAMSBURG PARK BARRINGTON, IL 600103164	NONE 0.00	0.	0.	0.
JEFFREY BOYD 1826 JEFFERSON PLACE, NW WASHINGTON, DC 20036	EXECUTIVE DIRECTOR 40.00	105,000.	4,331.	0.
RICHARD J. PERRY, JR. 1826 JEFFERSON PLACE, NW WASHINGTON, DC 20036	TRUSTEE 0.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 SEE STATEMENT 10	395,455.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	9,971,076.
b	Average of monthly cash balances	1b	1,164,073.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	11,135,149.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	11,135,149.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	167,027.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,968,122.
6	**Minimum investment return.** Enter 5% of line 5	6	548,406.

Part XI **Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	548,406.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,250.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	2,250.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	546,156.
4	Recoveries of amounts treated as qualifying distributions			4	500.
5	Add lines 3 and 4			5	546,656.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	546,656.

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,650,570.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	395,455.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,046,025.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	2,250.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	2,043,775.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				546,656.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: ___ , ___ , ___		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005 — 506,229.				
b From 2006 — 74,328.				
c From 2007 — 383,783.				
d From 2008 — 375,528.				
e From 2009 — 723,583.				
f **Total** of lines 3a through e	2,063,451.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶$ 2,046,025.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				546,656.
e Remaining amount distributed out of corpus	1,499,369.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,562,820.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	506,229.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	3,056,591.			
10 Analysis of line 9:				
a Excess from 2006 — 74,328.				
b Excess from 2007 — 383,783.				
c Excess from 2008 — 375,528.				
d Excess from 2009 — 723,583.				
e Excess from 2010 — 1,499,369.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

SEE STATEMENT 11

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 12				
Total			▶ 3a	1,398,974.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	220,624.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	481,316.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		701,940.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 701,940.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee | Date 10-11-11 | Title NONE

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BOB HOTTLE		10/4/11		

Firm's name ▶ BAKER TILLY VIRCHOW KRAUSE, LLP — Firm's EIN ▶

Firm's address ▶ 8219 LEESBURG PIKE, SUITE 800 VIENNA, VA 22182 — Phone no. (703) 923-8300

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization	Employer identification number
THE ERIC D. & STEVEN D. HOVDE FOUNDATION C/O HOVDE FINANCIAL, INC.	52-2107093

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year. ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization
THE ERIC D. & STEVEN D. HOVDE FOUNDATION
C/O HOVDE FINANCIAL, INC.

Employer identification number
52-2107093

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ERIC HOVDE 2911 UNIVERSITY TERRACE, NW WASHINGTON, DC 20016	$ 339,007.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	STEVEN D. HOVDE 968 WILLIAMSBURG PARK BARRINGTON, IL 60010	$ 300,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE LILI CLAIRE FOUNDATION, INC. 3435 OCEANPARK BLVD, STE. 107 PMB305 SANTA MONICA, CA 90405	$ 12,230.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	ELLIS MANAGEMENT SERVICES, INC. 4324 N. BELTLINE ROAD, SUITE C105 IRVING, TX 75038	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization
THE ERIC D. & STEVEN D. HOVDE FOUNDATION
C/O HOVDE FINANCIAL, INC.

Employer identification number
52-2107093

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization	Employer identification number
THE ERIC D. & STEVEN D. HOVDE FOUNDATION C/O HOVDE FINANCIAL, INC.	52-2107093

Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** Complete columns **(a)** through **(e)** and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less for the year** (Enter this information once. See instructions.) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BNP SECURITIES	19,612.	0.	19,612.
CHARLES SCHWAB SECURITIES	201,012.	0.	201,012.
TOTAL TO FM 990-PF, PART I, LN 4	220,624.	0.	220,624.

FORM 990-PF LEGAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	9,069.	0.		9,069.
TO FM 990-PF, PG 1, LN 16A	9,069.	0.		9,069.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,200.	2,100.		2,100.
TO FORM 990-PF, PG 1, LN 16B	4,200.	2,100.		2,100.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	85,232.	85,232.		0.
OTHER CONSULTING FEES	5,148.	5,148.		0.
TO FORM 990-PF, PG 1, LN 16C	90,380.	90,380.		0.

FORM 990-PF	TAXES	STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX EXPENSE	2,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	2,000.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	27,499.	0.		27,499.
MEALS AND ENTERTAINMENT	10,245.	0.		10,245.
TRAVEL	82,768.	0.		82,768.
INSURANCE	2,275.	0.		2,275.
TO FORM 990-PF, PG 1, LN 23	122,787.	0.		122,787.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 7

DESCRIPTION	AMOUNT
RECOVERY OF PRIOR YEAR QUALIFIED DISTRIBUTION	500.
TOTAL TO FORM 990-PF, PART III, LINE 3	500.

FORM 990-PF	CORPORATE STOCK	STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BNP - SECURITIES	851,771.	851,771.
CHARLES SCHWAB - SECURITIES	8,897,125.	8,897,125.
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,748,896.	9,748,896.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDING #1 - MEXICO	456,406.	60,953.	395,453.
LAND - MEXICO	114,101.	0.	114,101.
BUILDING #2 - MEXICO	128,534.	12,772.	115,762.
HP NOTEBOOK	1,241.	645.	596.
OFFICE PRO SOFTWARE	466.	155.	311.
WINPRO SOFTWARE	172.	57.	115.
BUILDING - PERU	296,211.	2,215.	293,996.
BUILDING - RWANDA	60,237.	0.	60,237.
LAND - RWANDA	39,007.	0.	39,007.
TOTAL TO FM 990-PF, PART II, LN 14	1,096,375.	76,797.	1,019,578.

FORM 990-PF SUMMARY OF DIRECT CHARITABLE ACTIVITIES STATEMENT 10

ACTIVITY ONE

THE ERIC D. & STEVEN D. HOVDE FOUNDATION BUILDS TRANSITIONAL HOUSING, REFERRED TO AS "HOVDE HOUSES" FOR CHILDREN IN THE DEVELOPING WORLD. THE HOVDE FOUNDATION CURRENTLY HAS TWO HOVDE HOUSES IN LATIN AMERICA. THE TWO LATIN AMERICAN HOUSES ARE LOCATED IN MEXICO CITY, MEXICO AND HUANUCO, PERU. THREE ADDITIONAL HOVDE HOUSES ARE CURRENTLY IN DEVELOPMENT IN AFRICA. EXPENSES INCLUDE THE ACQUISITION OF THE LAND AND BUILDINGS FOR THE HOVDE HOUSES.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 1	395,455.

FORM 990-PF PART XV - LINE 1A LIST OF FOUNDATION MANAGERS STATEMENT 11

NAME OF MANAGER

ERIC D. HOVDE
STEVEN D. HOVDE

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 12

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AARON PLOCH MEMORIAL SCHOLARSHIP FUND 102 BUENA DRIVE VINELAND, NJ 08360	GENERAL USE		100.
AVON WALK FOR BREAST CANCER 11 GREAT OAK LANE REDDING, CT 06896	GENERAL USE		5,000.
BOYS & GIRLS CLUB OF DANE COUNTY 2001 TAFT STREET MADISON, WI 53713	GENERAL USE		5,000.
BREAKTHROUGH PARTNERS 110 THIRD AVENUE, N, SUITE 101 EDMONDS, WA 98020	GENERAL USE		25,000.
CAPITAL CHURCH 10233 LEESBURG PIKE VIENNA, VA 22182	HAITI RELIEF TRIP		250.
CHALLENGING HEIGHTS PO BOX KN 1979 ACCRA, GHANA	GENERAL USE		38,000.
COURTNEY'S HOUSE PO BOX 12054 WASHINGTON, DC 20005	GENERAL USE		19,350.
CYSTIC FIBROSIS FOUNDATION 2150 TOWN CENTER PLACE, SUITE 120 ANAHEIM, CA 92806	GENERAL USE		12,500.

FAST FORWARD LLC 733 THIRD AVENUE, 3RD FLOOR NEW YORK, NY 10017	GENERAL USE	250,000.
FREE THE SLAVES 1320 19TH STREET, NW, SUITE 600 WASHINGTON, DC 20036	ANTI-SLAVERY WORK IN GHANA	14,015.
GLOBAL AID NETWORK PO BOX 628222 ORLANDO, FL 32862	GENERAL USE	13,500.
GLOBAL GIVING FOUNDATION 1023 15TH STREET, NW, 12TH FLOOR WASHINGTON, DC 20005	ANTI-SLAVERY WORK IN GHANA	7,000.
HAPPY HEARTS FUND PO BOX 725 NEW YORK, NY 10014	GENERAL USE	10,692.
HOPE FOR LIFE MINISTRY PO BOX 4503 KIGALI, RWANDA	FUND OPERATING COSTS	18,200.
INTERCONNECTION 3415 STONE WAY N SEATTLE, WA 98103	DONATED 10 REFURBISHED LAPTOPS TO PERU	2,270.
INTERNATIONAL JUSTICE MISSION PO BOX 58147 WASHINGTON, DC 20037	GENERAL USE	100,250.
JEWISH NATIONAL FUND 42 E 69TH STREET NEW YORK, NY 10021	OPERATION CARMEL RENEWAL	2,500.
LILI CLAIRE COMMUNICATIONS FOUNDATION 3435 OCEAN PARK BOULEVARD, #107 SANTA MONICA, CA 90405	MEDICAL CARE FOR IMPOVERISHED YOUTH	10,000.

MIZEL MUSEM 400 S KEARNEY STREET DENVER, CO 80224	ANNUAL DINNER 2010	5,000.
NATIONAL MS SOCIETY 733 THIRD AVENUE, 3RD FLOOR NEW YORK, NY 10017	WOMEN ON THE MOVE LUNCHEON	14,580.
NATIONAL PRESBYTERIAN CHURCH 4101 NEBRASKA AVENUE, NW WASHINGTON, DC 20016	YOUTH, INC. HAITI MISSION TRIP	7,000.
NO GREATER SACRIFICE FOUNDATION 1101 PENNSYLVANIA AVENUE, NW WASHINGTON, DC 20004	FREEDOM AWARD DINNER SPONSORSHIP	25,000.
PAZ Y ESPERANZA JR HERMILIO VALDIZAN N 681 LIMA, PERU	OPERATING COSTS	113,731.
PROGRAMA NINOS DE LA CALLE DR. ERAZO NO. 122 COL. DOCTORES 06720 MEXICO CITY, MEXICO	OPERATING COSTS	315,470.
THE ASSOCIATION OF HOLE IN THE WALL CAMPS 228 SAUGATUCK AVENUE WESTPORT, CT 06880	GENERAL USE	10,000.
THE ROAD HOME 128 EAST OLIN AVENUE, SUITE 202 MADISON, WI 53713	HOUSING & HOPE BUILDING FUND	50,000.
UNIVERSITY OF WISCONSIN FOUNDATION 1848 UNIVERSITY AVENUE MADISON, WI 53726	SUPPORT NEUROMODULATION LABORATORY AND CENTER FOR INVESTIGATIVE	75,000.
WASHINGTON JESUIT ACADEMY 900 VARNUM STREET, NE WASHINGTON, DC 20017	STUDENT SPONSORSHIP PLEDGES	72,000.

WOMEN AT RISK PO BOX 2513 GRAND RAPIDS, MI 49501	GENERAL USE	900.
ONE HOME MANY HOPES 67 TROTTING PARK ROAD EAST FALMOUTH, MA 02536	OPERATING COSTS - KENYA PROJECT	176,666.
TOTAL TO FORM 990-PF, PART XV, LINE 3A		1,398,974.

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1 990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	BUILDING #1 - MEXICO	100105	SL	39.00	17	456,406.			456,406.	49,250.		11,703.
2	LAND - MEXICO	100105	L			114,101.			114,101.			0.
3	BUILDING #2 - MEXICO	021507	SL	39.00	17	128,534.			128,534.	9,476.		3,296.
14	HP NOTEBOOK	090409	200DB	5.00	17	1,241.			1,241.	248.		397.
25	OFFICE PRO SOFTWARE	083110	200DB	3.00	19A	466.			466.			155.
26	WINPRO SOFTWARE	083110	200DB	3.00	19A	172.			172.			57.
37	BUILDING - PERU	090110	SL	39.00	19I	296,211.			296,211.			2,215.
48	BUILDING - RWANDA	010111	SL	39.00	19I	60,237.			60,237.			0.
70	LAND - RWANDA	091810	L			39,007.			39,007.			0.
	* TOTAL 990-PF PG 1 DEPR					1096375.		0.	1096375.	58,974.	0.	17,823.

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

Eric D & Steven D Hovde Foundation
Realized Gain(Loss) - Schwab
01/01/2010-12/31/2010
EIN: 52-2107093

Purchase Date	Sell Date	Quantity	Symbol	Security	Cost Basis	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
11/04/08	12/22/10	800	BND	Vanguard Bond Index Fund	59,224 00	64,361 23	-	5,137 23
12/16/09	06/02/10	12,934	CEW	Wisdomtree Emerging Currency Fund	287,739 84	273,669 86	(14,069 98)	-
12/16/09	08/04/10	249	CEW	Wisdomtree Emerging Currency Fund	5,539 45	5,497 66	(41 79)	-
02/02/10	08/04/10	13,215	CEW	Wisdomtree Emerging Currency Fund	290,099 34	291,773 48	1,674 14	-
02/02/10	05/12/10	11,428	DBA	Powershs DB Agriculture Fd	292,510 90	278,735 82	(13,775 08)	-
02/02/10	08/12/10	11,952	DBC	Powershs DB Commodity Index	283,376 67	268,788 18	(14,588 49)	-
02/02/10	12/22/10	2,716	DBC	Powershs DB Commodity Index	64,395 17	73,176 76	8,781 59	-
12/16/09	06/02/10	2,864	EMB	Ishares Tr ETF JPMorgan Emg Mkts Bd Fd	292,450 51	289,886 53	(2,563 98)	-
10/02/09	02/02/10	2,768	EMB	Ishares Tr ETF JPMorgan Emg Mkts Bd Fd	283,839 67	278,235 16	(5,604 51)	-
11/20/09	02/02/10	1,039	EMB	Ishares Tr ETF JPMorgan Emg Mkts Bd Fd	106,648 90	104,438 70	(2,210 20)	-
12/16/09	02/02/10	15	EMB	Ishares Tr ETF JPMorgan Emg Mkts Bd Fd	1,531 69	1,507 78	(23 91)	-
10/02/09	02/02/10	9,939	EWG	Ishares MSCI Germany Index Fd	212,504 77	208,534 66	(3,970 11)	-
11/20/09	02/02/10	3,212	EWG	Ishares MSCI Germany Index Fd	71,566 21	67,392 42	(4,173 79)	-
02/02/10	06/02/10	19,232	EWH	Ishares MSCI Hong Kong Index Fd	291,929 55	283,110 15	(8,819 40)	-
03/31/09	02/02/10	24,937	EWJ	Ishares MSCI Japan Index Fd	198,258 10	251,845 94	53,587 84	-
11/20/09	02/02/10	6,649	EWJ	Ishares MSCI Japan Index Fd	61,758 21	67,150 17	5,391 96	-
10/10/08	12/22/10	2,474	FXI	Ishares FTSE/Xinhua China 25 Index Fd	64,569 06	106,804 23	-	42,235 17
10/16/08	06/02/10	1,337	GLD	SPDR Gold Trust	105,108 56	159,874 34	-	54,765 78
10/31/08	06/02/10	582	GLD	SPDR Gold Trust	41,508 14	69,593 76	-	28,085 62
10/31/08	12/22/10	719	GLD	SPDR Gold Trust	51,278 95	97,295 09	-	46,016 14
02/02/10	10/04/10	3,357	HYG	Ishares iBoxx High Yield Corp Bd Fd	289,670 04	298,510 25	8,840 21	-
06/02/09	11/18/10	3,833	IEF	Ishares Barclays 7-10 Yr Treasury Bd Fd	344,931 67	371,488.08	-	26,556 41
11/20/09	11/18/10	1,485	IEF	Ishares Barclays 7-10 Yr Treasury Bd Fd	136,403 08	143,923 77	7,520 69	-
10/02/09	02/02/10	4,855	IWM	Ishares Tr Russell 2000 Index Fd	283,977 90	297,586 20	13,608 30	-
11/20/09	02/02/10	1,868	IWM	Ishares Tr Russell 2000 Index Fd	108,631 28	114,498 67	5,867 39	-
06/02/10	12/22/10	1,149	MINT	PIMCO Enhcd Short Maturity Strategy Fd	115,097 49	115,613 42	515 93	-
12/23/09	02/02/10	6,419	QQQQ	Powershares QQQ Trust Ser 1	292,458 59	279,518 89	(12,939 70)	-
06/02/10	10/04/10	6,330	QQQQ	NASDAQ 100 Index	290,806 62	306,588 92	15,782 30	-
10/04/10	12/22/10	918	SDY	SPDR S&P Dividend ETF	46,104 28	47,868 67	1,764 39	-
10/28/09	02/02/10	1,906	SHV	Ishares Tr Barclays Short Treasury Bond Fd	210,137 56	210,010 52	(127 04)	-
10/28/09	10/04/10	5,851	SHV	Ishares Tr Barclays Short Treasury Bond Fd	645,075 99	644,763 31	(312 68)	-
11/20/09	10/04/10	2,881	SHV	Ishares Tr Barclays Short Treasury Bond Fd	317,609 24	317,477 88	(131 36)	-
02/06/08	02/02/10	2,447	SHY	Ishares Tr Barclays 1-3 Year Treasury Bond Fd	204,557 02	204,248 84	-	(308 18)
02/06/08	12/22/10	963	SHY	Ishares Tr Barclays 1-3 Year Treasury Bond Fd	80,502 01	80,823 99	-	321 98
01/04/08	12/22/10	759	TIP	Ishares Barclays TIPS Bond Fund	80,722 08	81,431 96	-	709 88
02/02/10	10/04/10	6,231	VIG	Vanguard Dividend Appreciation	292,325 72	303,408 77	11,083 05	-
03/17/10	10/04/10	3,983	VIG	Vanguard Dividend Appreciation	194,658 16	193,945 93	(712 23)	-
06/02/10	10/04/10	359	VIG	Vanguard Dividend Appreciation	16,590 39	17,480 94	890 55	-
09/15/10	12/22/10	1,001	VNQ	Vanguard REIT Index	53,284 44	55,424 83	2,140 39	-
01/04/08	06/02/10	2,511	VTI	Vanguard Total Stock Mkt	177,102 21	139,901 74	-	(37,200 47)
02/04/09	06/02/10	1,683	VTI	Vanguard Total Stock Mkt	71,020 58	93,769 27	-	22,748 69
11/20/09	06/02/10	1,036	VTI	Vanguard Total Stock Mkt	56,811 79	57,721 30	909 51	-
01/04/08	02/02/10	3,683	VTI	Vanguard Total Stock Mkt	259,764 01	205,309 80	-	(54,454 21)
02/02/10	03/08/10	9,571	VXX	Barclays S&P 500 VIX Short Term Futures ETN	279,393 14	224,533 42	(54,859 72)	-
12/16/09	06/02/10	6,865	WIP	SPDR DB Intl Govt Infl-Protected Bd	391,944 84	354,836 90	(37,107 94)	-
				Totals	8,305,417 82	8,402,358 19	(37,673 67)	134,614 04

Purchase Date	Sell Date	Share Face	Opening FX	Local Currency: Total Cost	Local Currency: Proceeds	Closing FX	Reporting Currency: Short Term G/L	Reporting Currency: Long Term G/L	Reporting Currency: Price G/L	Reporting Currency: FX G/L	Realized G/L	Pct G/L
EQUITIES FIXED INCOME AND NARROW-BASED OPTIONS												
ICBN - ICB FINANCIAL (44923M103) (USD)												
Jan-13-2004	Aug-16-2010	100	1 0000	464 37	394 29	1 0000	0 00	(70 08)	(70 08)	0 00	(70 08)	(15 09)
					GRAND TOTAL		**0.00**	**(70 08)**	**(70.08)**	**0.00**	**(70 08)**	**(15 09)**
		Total Cost / Proceeds by Ccy										
			USD :	**464.37**	**394.29**							
										Price G/L	**(70.08)**	**(15 09)**
										Fx G/L	**0.00**	**0.00**
										Total G/L	**(70 08)**	**(15.09)**
										Short Term	**0.00**	**0.00**
										Long Term	**(70 08)**	**(15.09)**
										Short Term - 1256 Contracts	**0.00**	**0.00**
										Long Term - 1256 Contracts	**0.00**	**0.00**
										Total	**(70.08)**	**(15 09)**

* Date short position closed

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GENERAL

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CASH SWEEP

BNP Paribas' New York Branch ("BNPP NY") has been appointed as custodian to hold certain securities and cash assets of the customer in its custodial accounts (each, a "Custodial Account") At the end of any business day, BNPP NY may sweep any cash balances held in any such Custodial Account to be invested in an interest-bearing deposit account with an off-shore affiliate (including its Cayman Branch) The interest rate paid on such deposit may vary daily and will be equal to the sum of a published base rate plus or minus an additional percentage The deposits held in the Custodial Account and in the interest-bearing account are not insured and carry no FDIC insurance Obligations of BNPP NY and BNP Paribas' Cayman Branch are obligations of its parent, BNP Paribas

PERFORMANCE

The report contains performance data using a methodology authorized by the portfolio manager, but the report's methodology may be different from the methodology used to calculate the Fund's net asset value Net asset value is defined in the Fund's offering or organizational documents and is determined by the party or parties named in those documents The numbers contained in the report representing performance or rate of return ('ROR') (i) may reflect unverified information provided by the Fund, its manager or directors or their agents, including the existence or valuation of positions, (ii) may not reflect all assets of the Fund, such as assets held at another prime broker (if any), (iii) the managers have the ability to alter the Fund's current or past positions which could have the affect of altering the ROR, and (iv) and managers have the ability to input different prices or valuations on the same security In addition, past performance is not an indicator of future performance

AUDITORS AND ADMINISTRATORS

The report is for informational purposes only, and the report is not intended for use in calculating the Fund's net asset value, calculating fees, or preparing account statements or financial statements

CLIENT RESPONSIBLE FOR REGULATORY FILINGS

The report should not be filed with the SEC as posted on the Client Site, including and without limitation as part of SEC 13F and 13G Reports The Fund is solely responsible for making any required filings with any state or government agency, any self-regulatory organization or exchange and for the accuracy of the information contained therein

RISK ANALYSIS REPORTS

The information provided in the report is not a prediction of investment results, may be hypothetical or theoretical in nature, and should not be relied upon to make investment decisions Information in the report regarding the probabilities that various investment outcomes might occur are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results The information presented provides only a range of possible outcomes The report does not constitute a recommendation by BNPP nor any of its affiliates, or their respective officers, directors, agents and employees, to buy or sell a specific security For more information about the bases and assumptions of the calculations used in the report and other explanatory information about the report, please contact your account executive

Form **4562** Department of the Treasury Internal Revenue Service (99)

Depreciation and Amortization 990-PF
(Including Information on Listed Property)
▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172 **2010** Attachment Sequence No 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
THE ERIC D. & STEVEN D. HOVDE FOUNDATION C/O HOVDE FINANCIAL, INC.	FORM 990-PF PAGE 1	52-2107093

Part I Election To Expense Certain Property Under Section 179 **Note:** *If you have any listed property, complete Part V before you complete Part I*

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (**Do not** include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (**Do not** include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	15,396.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		638.	3 YRS.	HY	200DB	212.
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27 5 yrs	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	09 /10	296,211.	39 yrs.	MM	S/L	2,215.
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year	/		40 yrs	MM	S/L	

Part IV **Summary** (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr	22	17,823.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* **only** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use						25		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year:					
43 Amortization of costs that began before your 2010 tax year				43	
44 **Total.** Add amounts in column (f). See the instructions for where to report				44	