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

2012

Open to public inspection

For calendar year 2012 or tax year beginning , **and ending**

Name of foundation: THE ERIC D. & STEVEN D. HOVDE FOUNDATION

A Employer identification number: 52-2107093

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

Room/suite:

B Telephone number: 202-775-8109

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

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 11,479,492.

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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	483,950.		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	251,173.	251,173.		STATEMENT 1
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	195,391.			STATEMENT 2
b	Gross sales price for all assets on line 6a 4,142,991.				
7	Capital gain net income (from Part IV, line 2)		244,734.		
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	930,514.	495,907.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	100,000.	0.		100,000.
14	Other employee salaries and wages	37,145.	0.		37,145.
15	Pension plans, employee benefits	11,868.	0.		11,868.
16a	Legal fees STMT 3	2,658.	0.		2,658.
b	Accounting fees STMT 4	11,880.	5,940.		5,940.
c	Other professional fees STMT 5	87,136.	78,636.		8,500.
17	Interest				
18	Taxes STMT 6	13,409.	0.		10,862.
19	Depreciation and depletion	26,513.	0.		
20	Occupancy				
21	Travel, conferences, and meetings	48,779.	0.		48,779.
22	Printing and publications	8,225.	0.		8,225.
23	Other expenses STMT 7	26,165.	0.		23,665.
24	**Total operating and administrative expenses.** Add lines 13 through 23	373,778.	84,576.		257,642.
25	Contributions, gifts, grants paid	901,619.			901,619.
26	**Total expenses and disbursements.** Add lines 24 and 25	1,275,397.	84,576.		1,159,261.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	<344,883.>			
b	**Net investment income** (if negative, enter -0-)		411,331.		
c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Part II		Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		50,786.	31,717.	31,717.
	2	Savings and temporary cash investments		148,235.	455,766.	455,766.
	3	Accounts receivable ▶	5,531.			
		Less: allowance for doubtful accounts ▶		5,574.	5,531.	5,531.
	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			3,294.	3,294.
	10a	Investments - U S. and state government obligations				
	b	Investments - corporate stock	STMT 8	9,948,185.	9,961,957.	9,961,957.
	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 ▶	1,149,180.			
		Less accumulated depreciation STMT 9 ▶	127,953.	1,044,936.	1,021,227.	1,021,227.
	15	Other assets (describe ▶)				
	16	**Total assets** (to be completed by all filers)		11,197,716.	11,479,492.	11,479,492.
Liabilities	17	Accounts payable and accrued expenses		22,374.	26,140.	
	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)		22,374.	26,140.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.**				
	24	Unrestricted		11,175,342.	11,453,352.	
	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**		11,175,342.	11,453,352.	
	31	**Total liabilities and net assets/fund balances**		11,197,716.	11,479,492.	

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	11,175,342.
2	Enter amount from Part I, line 27a	2	<344,883.>
3	Other increases not included in line 2 (itemize) ▶ UNREALIZED GAIN ON INVESTMENTS	3	622,893.
4	Add lines 1, 2, and 3	4	11,453,352.
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	11,453,352.

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				
b	SEE ATTACHED STATEMENT			
c				
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				
b				
c				
d				
e	4,142,991.		3,898,257.	244,734.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
	(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	
a				
b				
c				
d				
e				244,734.

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	244,734.
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 the 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))
2011	1,511,512.	10,255,745.	.147382
2010	2,043,775.	10,968,122.	.186338
2009	1,322,137.	12,051,088.	.109711
2008	790,164.	8,365,520.	.094455
2007	773,334.	8,403,422.	.092026

2 **Total** of line 1, column (d)	2	.629912
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	.125982
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	10,132,067.
5 Multiply line 4 by line 3	5	1,276,458.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,113.
7 Add lines 5 and 6	7	1,280,571.
8 Enter qualifying distributions from Part XII, line 4	8	1,159,261.

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	8,227.
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	8,227.
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	8,227.
6	Credits/Payments.				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	2,800.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	7,000.		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	9,800.
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	1,573.
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 1,573. **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)? *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*	1b		X
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 2012 or the taxable year beginning in 2012 (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

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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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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 2012, 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 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

			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 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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No

If "Yes," list the years ▶ _____, _____, _____, _____

			Yes	No
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

			Yes	No
b	If "Yes," did it have excess business holdings in 2012 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 2012.)* 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 2012?	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** No: X

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	TRUSTEE 0.00	0.	0.	0.
STEVEN D. HOVDE 968 WILLIAMSBURG PARK BARRINGTON, IL 600103164	TRUSTEE 0.00	0.	0.	0.
JEFFREY BOYD 1826 JEFFERSON PLACE, NW WASHINGTON, DC 20036	EXECUTIVE DIRECTOR 40.00	100,000.	7,348.	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 N/A	
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.

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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	9,914,139.
b	Average of monthly cash balances			1b	372,223.
c	Fair market value of all other assets			1c	
d	**Total** (add lines 1a, b, and c)			1d	10,286,362.
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	10,286,362.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	154,295.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	10,132,067.
6	**Minimum investment return.** Enter 5% of line 5			6	506,603.

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	506,603.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	8,227.		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	8,227.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	498,376.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	498,376.
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	498,376.

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	1,159,261.
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	
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	1,159,261.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,159,261.

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.

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Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7					498,376.
2 Undistributed income, if any, as of the end of 2012					
a Enter amount for 2011 only				0.	
b Total for prior years: ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2012:					
a From 2007	383,783.				
b From 2008	375,528.				
c From 2009	723,583.				
d From 2010	1,499,369.				
e From 2011	1,003,719.				
f **Total** of lines 3a through e		3,985,982.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $	1,159,261.				
a Applied to 2011, 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 2012 distributable amount					498,376.
e Remaining amount distributed out of corpus		660,885.			
5 Excess distributions carryover applied to 2012 (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		4,646,867.			
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 2011. Subtract line 4a from line 2a Taxable amount - see instr.				0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013					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 2007 not applied on line 5 or line 7		383,783.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a		4,263,084.			
10 Analysis of line 9:					
a Excess from 2008	375,528.				
b Excess from 2009	723,583.				
c Excess from 2010	1,499,369.				
d Excess from 2011	1,003,719.				
e Excess from 2012	660,885.				

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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	(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 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 10

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 or e-mail 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*				
BOYS & GIRLS CLUB OF DANE COUNTY 2001 TAFT STREET MADISON, WI 53713		501(C)(3)	GENERAL USE	5,000.
BREAKTHROUGH PARTNERS 110 THIRD AVENUE, N, SUITE 101 EDMONDS, WA 98020		501(C)(3)	GENERAL USE	17,495.
CAMPUS CRUSADE FOR CHRIST PO BOX 628222 ORLANDO, FL 32862		501(C)(3)	GENERAL USE	12,000.
CHALLENGING HEIGHTS PO BOX KN 1979 ACCRA, GHANA		FOREIGN - 501(C)(3) EQUIVALENT	GENERAL USE	56,490.
CHILDREN'S NATIONAL MEDICAL CENTER 111 MICHIGAN AVENUE, NW WASHINGTON, DC 20010		501(C)(3)	GENERAL USE	500.
Total SEE CONTINUATION SHEET(S)			▶ 3a	901,619.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Form **990-PF** (2012)

223611
12-05-12

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(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	251,173.	
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	195,391.	
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.		446,564.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 446,564.

(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) is based on all information of which preparer has any knowledge

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Signature of officer or trustee	Date	Title
	7/15/13	NONE

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BOB HOTTLE		7/1/13		P00632650

Firm's name ▶ BAKER TILLY VIRCHOW KRAUSE, LLP

Firm's EIN ▶ 52-1065875

Firm's address ▶ 8219 LEESBURG PIKE, SUITE 800
TYSONS CORNER, 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, Form 990-EZ, or Form 990-PF.**

OMB No 1545-0047

2012

Name of the organization	**Employer identification number**
THE ERIC D. & STEVEN D. HOVDE FOUNDATION	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, total 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 total 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 Part I, 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

Employer identification number

52-2107093

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ERIC HOVDE 2911 UNIVERSITY TERRACE, NW WASHINGTON, DC 20016	$ 249,999.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	CURTIS A. SIDDEN, JR. 1021 HUDSON PLACE DAVIDSON, NC 28036	$ 20,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
3	JAMES FITZGERALD 8062 VIZCAYA WAY NAPLES, FL 34108	$ 5,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
4	STEVEN D. HOVDE 968 WILLIAMSBURG PARK BARRINGTON, IL 60010	$ 150,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
5	THE DONALD AND VIRGINIA HOVDE FOUNDATION 1826 JEFFERSON PLACE, NW WASHINGTON , DC 20036	$ 48,371.	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	Employer identification number
THE ERIC D. & STEVEN D. HOVDE FOUNDATION	52-2107093

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	10,879 SHARES OF FBIZ STOCK	$ 249,999.	12/31/12

(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	52-2107093

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total 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.) ▶ $ ____________

Use duplicate copies of Part III if additional space is needed

(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 **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

2012

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
THE ERIC D. & STEVEN D. HOVDE FOUNDATION	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 2011 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 2013. 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 2012	17	25,895.
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 2012 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						
b	5-year property		3,089.	5 YRS.	HY	200DB	618.
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	/		39 yrs	MM	S/L	
		/			MM	S/L	

Section C - Assets Placed in Service During 2012 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	26,513.
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	

216251 12-28-12 LHA **For Paperwork Reduction Act Notice, see separate instructions.** Form **4562** (2012)

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 2012 tax year:					
43 Amortization of costs that began before your 2012 tax year				43	
44 **Total.** Add amounts in column (f) See the instructions for where to report				44	

CONTINUATION FOR 990-PF, PART IV
THE ERIC D. & STEVEN D. HOVDE FOUNDATION 52-2107093 PAGE 1 OF 1

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	CHARLES SCHWAB - ACCT 7671-2696 (SEE ATTACHED)	P	VARIOUS	VARIOUS
b	CHARLES SCHWAB - ACCT 7671-2696 (SEE ATTACHED)	P	VARIOUS	VARIOUS
c	BNP PARIBAS - ACCT 210-12354-1-0 (SEE ATTACHED)	P	VARIOUS	VARIOUS
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(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	1,215,405.		1,191,464.	23,941.
b	2,761,167.		2,536,290.	224,877.
c	166,419.		170,503.	<4,084.>
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(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	
a				23,941.
b				224,877.
c				<4,084.>
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

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	244,734.
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

223591
05-01-12

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
CHILDREN'S LAW CENTER 616 H STREET, NW WASHINGTON, DC 20001		501(C)(3)	GENERAL USE	1,000.
COURTNEY'S HOUSE PO BOX 48626 WASHINGTON, DC 20002		501(C)(3)	GENERAL USE	20,000.
CYSTIC FIBROSIS FOUNDATION 2150 TOWN CENTER PLACE, SUITE 120 ANAHEIM, CA 92806		501(C)(3)	GENERAL USE	27,500.
ESCUELA DE LA CALLE DIAGONAL 15 18-84 LS ROSAS, ZONA 5 QUETZALTENANGO, GUATEMALA		FOREIGN - 501(C)(3) EQUIVALENT	LAND ACQUISITION & CONSTRUCTION COSTS	115,000.
FRIENDS OF KAREN 118 TITICUS RD, PO BOX 190 PURDYS, NY 10578		501(C)(3)	GENERAL USE	2,500.
HOPE HOUSE OF MILWAUKEE, INC. 209 WEST ORCHARD - PO BOX 04095 MILWAUKEE, WI 53204		501(C)(3)	GENERAL USE	25,000.
INTERNATIONAL JUSTICE MISSION PO BOX 58147 WASHINGTON, DC 20037		501(C)(3)	GENERAL USE	1,250.
MANNA, INC. 828 EVARTS STREET, NE WASHINGTON, DC 20018		501(C)(3)	GENERAL USE	1,000.
MINISTERIOS DE AMOR ACTIPAN NO. 16, COL. INSURGENTES MIXCOAC, C.P. 03920 DEL. BENITO JUAREZ MEXICO CITY, MEXICO		FOREIGN - 501(C)(3) EQUIVALENT	GENERAL USE	118,461.
MIZEL MUSEUM 400 S. KEARNEY STREET DENVER, CO 80224		501(C)(3)	GENERAL USE	5,000.
Total from continuation sheets				810,134.

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05-01-12

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
MY BROTHER'S KEEPER, INC. 1039 WEST MASON STREET GREEN BAY, WI 54303		501(C)(3)	GENERAL USE	10,000.
NATIONAL MS SOCIETY 733 THIRD AVENUE, 3RD FLOOR NEW YORK, NY 10017		501(C)(3)	GENERAL USE	3,000.
PAZ Y ESPERANZA JR HERMILIO VALDIZAN N 681 LIMA, PERU		FOREIGN - 501(C)(3) EQUIVALENT	GENERAL USE	230,749.
PROGRAMA NINOS DE LA CALLE DR. ERAZO NO. 122 COL. DOCTORES 06720 MEXICO CITY, MEXICO		FOREIGN - 501(C)(3) EQUIVALENT	GENERAL USE	133,674.
THE RIVER FOOD PANTRY 2201 DARWIN ROAD MADISON, WI 53704		501(C)(3)	GENERAL USE	15,000.
THE ROAD HOME 128 EAST OLIN AVENUE, SUITE 202 MADISON, WI 53713		501(C)(3)	GENERAL USE	100,000.
WASHINGTON ANIMAL RESCUE LEAGUE 71 OGLETHORPE STREET, NW WASHINGTON, DC 20011		501(C)(3)	GENERAL USE	1,000.
Total from continuation sheets				

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05-01-12

2012 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.	72,656.		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.	16,070.		3,296.
14	(D)HP NOTEBOOK	090409	200DB	5.00	17	1,241.			1,241.	884.		72.
25	OFFICE PRO SOFTWARE	083110	200DB	3.00	17	466.			466.	362.		69.
26	WINPRO SOFTWARE	083110	200DB	3.00	17	172.			172.	134.		25.
37	BUILDING - PERU	090110	SL	39.00	17	296,211.			296,211.	9,813.		7,595.
48	BUILDING - RWANDA	010111	SL	39.00	17	60,237.			60,237.	1,482.		1,545.
70	LAND - RWANDA	091810	L			39,007.			39,007.			0.
81	LAND - PERU	041111	L			45,986.			45,986.			0.
82	HP ML350 SERVER	021511	200DB	5.00	17	4,564.			4,564.	913.		1,460.
83	HP CP1525 PRINTER	041511	200DB	5.00	17	407.			407.	82.		130.
94	LENOVO THINKPAD T410 - JB	010112	200DB	5.00	19B	1,550.			1,550.			310.
95	LENOVO THINKPAD T420 - JE	041012	200DB	5.00	19B	1,539.			1,539.			308.
	* TOTAL 990-PF PG 1 DEPR					1150421.		0.	1150421.	102,396.	0.	26,513.

(D) - Asset disposed

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

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BNP SECURITIES	71,604.	0.	71,604.
CHARLES SCHWAB SECURITIES	179,569.	0.	179,569.
TOTAL TO FM 990-PF, PART I, LN 4	251,173.	0.	251,173.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 2

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CHARLES SCHWAB - ACCT 7671-2696 (SEE ATTACHED)	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,215,405.	1,191,464.	0.	0.	23,941.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CHARLES SCHWAB - ACCT 7671-2696 (SEE ATTACHED)	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
2,761,167.	2,536,290.	0.	0.	224,877.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
BNP PARIBAS - ACCT 210-12354-1-0 (SEE ATTACHED)	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
166,419.	219,560.	0.	0.	<53,141.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
DISPOSAL OF HP LAPTOP	PURCHASED	09/04/09	01/01/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	1,241.	0.	955.	<286.>

NET GAIN OR LOSS FROM SALE OF ASSETS	195,391.
CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	195,391.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	2,658.	0.		2,658.
TO FM 990-PF, PG 1, LN 16A	2,658.	0.		2,658.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	11,880.	5,940.		5,940.
TO FORM 990-PF, PG 1, LN 16B	11,880.	5,940.		5,940.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	78,636.	78,636.		0.
CONSULTING FEES	8,500.	0.		8,500.
TO FORM 990-PF, PG 1, LN 16C	87,136.	78,636.		8,500.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX EXPENSE	13,409.	0.		10,862.
TO FORM 990-PF, PG 1, LN 18	13,409.	0.		10,862.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	3,289.	0.		789.
MEALS AND ENTERTAINMENT	6,658.	0.		6,658.
INSURANCE	1,517.	0.		1,517.
IT EXPENSES	5,512.	0.		5,512.
MEMBERSHIPS & SUBSCRIPTIONS	6,895.	0.		6,895.
TELEPHONE EXPENSE	2,294.	0.		2,294.
TO FORM 990-PF, PG 1, LN 23	26,165.	0.		23,665.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BNP - SECURITIES	1,577,311.	1,577,311.
CHARLES SCHWAB - SECURITIES	8,384,646.	8,384,646.
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,961,957.	9,961,957.

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.	84,359.	372,047.
LAND - MEXICO	114,101.	0.	114,101.
BUILDING #2 - MEXICO	128,534.	19,366.	109,168.
OFFICE PRO SOFTWARE	466.	431.	35.
WINPRO SOFTWARE	172.	159.	13.
BUILDING - PERU	296,211.	17,408.	278,803.
BUILDING - RWANDA	60,237.	3,027.	57,210.
LAND - RWANDA	39,007.	0.	39,007.
LAND - PERU	45,986.	0.	45,986.
HP ML350 SERVER	4,564.	2,373.	2,191.
HP CP1525 PRINTER	407.	212.	195.
LENOVO THINKPAD T410 - JB	1,550.	310.	1,240.
LENOVO THINKPAD T420 - JE	1,539.	308.	1,231.
TOTAL TO FM 990-PF, PART II, LN 14	1,149,180.	127,953.	1,021,227.

FORM 990-PF PART XV - LINE 1A STATEMENT 10
LIST OF FOUNDATION MANAGERS

NAME OF MANAGER

ERIC D. HOVDE
STEVEN D. HOVDE

Eric D & Steven D Hovde Foundation
EIN 52-2107093
Realized Gains & Losses
Part IV Attachment
From 01-01-12 Through 12-31-12

Open Date	Close Date	Quantity	Symbol	Security	Cost Basis	Proceeds	Gain Or Loss	
							Short Term	Long Term
11/04/08	06/06/12	936	BND	Vanguard Total Bd Mkt IDX Fd	69,292 08	78,729 88	-	9,437 80
11/01/11	02/02/12	16,556	EWH	Ishares MSCI Hong Kong Index Fd	271,111 12	279,622 16	8,511.04	-
10/05/11	02/02/12	2,087	FXY	Currencyshares Japanese Yen Trust	267,626 45	269,635 43	2,008 98	-
05/12/10	07/17/12	1,582	GLD	SPDR Gold Trust	192,279 61	243,261 54	-	50,981 93
12/08/11	02/02/12	2,609	IAU	Ishares Gold Trust	44,144 28	44,651 91	507.63	-
05/31/11	01/09/12	408	IEF	Ishares Tr Barclays 7-10 Year Treasury Bond Fd	39,420 96	42,831 55	3,410.59	-
10/04/10	02/02/12	1,534	LTPZ	PIMCO Exch Traded Fd 15+Yr US Tips Index Fd	86,584.35	103,156 61	-	16,572 26
10/04/10	10/03/12	2,636	LTPZ	PIMCO Exch Traded Fd 15+Yr US Tips Index Fd	148,785 09	190,394 02	-	41,608 93
06/02/10	01/09/12	527	MINT	PIMCO Exch Traded Fd Short Maturity Strategy Fd	52,790 58	52,784 52	-	(6 06)
06/02/10	02/02/12	3,082	MINT	PIMCO Exch Traded Fd Short Maturity Strategy Fd	308,729 74	309,772 04	-	1,042 30
10/04/10	02/02/12	5,130	MINT	PIMCO Exch Traded Fd Short Maturity Strategy Fd	518,080 98	515,616 66	-	(2,464 32)
11/18/10	02/02/12	469	MINT	PIMCO Exch Traded Fd Short Maturity Strategy Fd	47,425 28	47,139.22	-	(286 06)
02/09/12	10/03/12	10,815	PHB	Powershares Global High Yld ETF	202,759 62	206,253 66	3,494 04	-
06/06/12	10/03/12	3,237	PHB	Powershares Global High Yld ETF	59,308.64	61,733 06	2,424.42	-
10/05/11	02/02/12	765	QQQ	Powershares QQQ Trust Ser 1	40,531 23	46,671 75	6,140 52	-
10/31/08	01/09/12	430	SHY	Ishares Tr Barclays 1-3 Year Treasury Bond Fd	36,176 66	36,326 09	-	149 43
10/31/08	10/03/12	3,878	SHY	Ishares Tr Barclays 1-3 Year Treasury Bond Fd	326,262 98	327,503 34	-	1,240 36
10/02/09	10/03/12	1,098	SHY	Ishares Tr Barclays 1-3 Year Treasury Bond Fd	92,251 93	92,727 87	-	475 94
11/20/09	10/03/12	273	SHY	Ishares Tr Barclays 1-3 Year Treasury Bond Fd	22,980 78	23,055 28	-	74.50
02/02/12	06/06/12	2,009	SPY	SPDR S&P ETF TR Expiring 1/22/2118	266,562 16	264,005 42	(2,556 74)	-
06/16/08	01/09/12	333	TIP	Ishares Barclays TIPS Bond Fund	34,874 73	39,103 77	-	4,229 04
06/16/08	10/03/12	570	TIP	Ishares Barclays TIPS Bond Fund	59,695 48	69,908 93	-	10,213 45
11/20/09	10/03/12	2,414	TIP	Ishares Barclays TIPS Bond Fund	254,840.23	296,070 47	-	41,230 24
10/04/10	10/03/12	936	TIP	Ishares Barclays TIPS Bond Fund	102,375 19	114,797.83	-	12,422.64
06/02/10	10/03/12	2,217	VIG	Vanguard Dividend Appreciation	102,453.74	132,810.62	-	30,356 88
09/15/10	01/09/12	1,530	VNQ	Vanguard REIT	80,410 89	88,008 65	-	7,597 76
REALIZED GAIN/LOSS - SCHWAB					3,727,754 78	3,976,572 28	23,940 48	224,877 02
12/23/05	11/02/12	35,870	ICBN	ICB Financial	170,503 03	166,418.87	-	(4,084 16)
REALIZED GAIN/LOSS - BNP					170,503 03	166,418 87	-	(4,084 16)
TOTAL REALIZED GAIN/LOSS					3,898,257.81	4,142,991 15	23,940.48	220,792.86