

**Federal Home Loan Bank  
of Indianapolis**

***News Release***

**8250 Woodfield Crossing Blvd.  
Indianapolis, Indiana 46240**

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**For Immediate Release**

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**Federal Home Loan Bank of Indianapolis Board Supports  
Mortgage Securitization Authority**

The Federal Home Loan Bank of Indianapolis (FHLBI) announced that its Board of Directors has unanimously approved support of including a provision in the pending GSE restructuring legislation that expressly grants authority to the Federal Home Loan Banks to package mortgage loans purchased from member financial institutions into mortgages guaranteed by the Federal Home Loan Banks for resale in the capital markets (securitization).

FHLBI President and CEO Martin L. Heger pointed out that his board's position on securitization is shared with the positions taken recently by the Mortgage Bankers Association and the National Association of Home Builders. "Authority to securitize would allow the Federal Home Loan Banks to continue to fulfill their statutory housing finance mission while allowing them a vehicle to better manage their capital and interest rate risk," said Heger.

FHLBI believes having securitization authority would ensure that community financial institutions have the FHLBanks as a reliable competitive alternative in the secondary mortgage market enabling them to offer competitive mortgage rates in their local communities. Being able to sell mortgages to the FHLBanks on an ongoing basis also would allow community institutions to better manage their own capital and interest rate risk, thereby benefiting the communities they serve.

*The Federal Home Loan Bank of Indianapolis is one of twelve regional banks that make up the Federal Home Loan Bank System. FHLBanks are government-sponsored enterprises created by Congress to ensure access to low-cost funding for insured financial institutions, such as commercial banks, savings institutions and credit unions. **FHLBanks are privately capitalized and funded, and receive no Congressional appropriations.***

*The Indianapolis Bank promotes **Partnerships in Building Communities** by serving as a wholesale source of funds for 438 chartered financial institutions throughout the states of Indiana and Michigan. For more information about the financial condition and the capital position of the FHLBI, see the information statement on the FHLBI website at [www.fhlbi.com](http://www.fhlbi.com).*

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