



FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Building Partnerships. Serving Communities.

July 15, 2008

RE: Activity-based Stock Requirements under FHLBI Capital Plan

To all FHLBI members:

The Board of Directors of the Federal Home Loan Bank of Indianapolis (FHLBI) effective September 17, 2007, revised the activity-based stock requirements as follows:

	<u>Current</u>	<u>Capital Plan Ranges</u>
Credit Products	5.0%	2.0 – 5.0%
Derivative Contracts	5.0%	3.0 – 5.0%
Acquired Member Assets	0.0% <sup>1</sup>	0.0 - 5.0%

The Board in its discretion may modify this requirement within the range allowed by the Capital Plan at any time. Any adjustments to the stock requirements will go into effect 15 days after declaration by the Board and with notice to the members and the Federal Housing Finance Board, our regulator, as required by Finance Board Resolution No. 2002-43.

The Board has an obligation to review and adjust member stock requirements as necessary so that FHLBI remains in compliance with its minimum capital requirements, while having competitive product offerings and reasonable shareholder returns. In establishing this requirement, the Board considers FHLBI’s capital ratio, potential changes in the amount of capital, and anticipated balance sheet growth. The ranges in the Capital Plan allow FHLBI’s Board the flexibility to manage the balance sheet and to meet members’ needs as the financial environment changes.

Questions regarding your institution’s stock requirements should be directed to the Credit Department, 1-800-442-2568.

<sup>1</sup>A member may by written request voluntarily elect to choose the 3% MPP activity-based requirement when executing a mandatory delivery commitment (MDC). The MPP activity-based requirement for new production shall automatically increase to 3.0% if total MPP balances on the FHLBI’s balance sheet exceed \$10 billion. In the event the MPP balance decreases below \$10 billion, the stock purchase requirement will return to 0%.