



FEDERAL HOME LOAN BANK OF INDIANAPOLIS

*Building Partnerships. Serving Communities.*

## NEWS RELEASE

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### **Federal Home Loan Bank of Indianapolis Offers Second Round of Funding to Help Lenders Relieve Threat of Foreclosure**

Indianapolis, IN – Milton J. Miller, President & CEO of the Federal Home Loan Bank of Indianapolis (FHLBI), has announced a second round of the bank's \$100 million lending initiative, HomeRetain, to help FHLBI financial institution members assist families facing foreclosure. The first round of funding, which was announced in late 2007, generated much attention and \$55.25 million was requested. "It is important that the financial industry continue to work to develop realistic approaches to help families avoid foreclosure during this critical time," said Miller. "HomeRetain is one new resource for our members."

HomeRetain is a part of the FHLBI's Community Investment Program, a source of wholesale funds for member institutions involved in housing or community economic development activities that benefit low- and moderate-income families or neighborhoods.

The second round of HomeRetain, like round one, will offer \$100 million split between the states of Indiana and Michigan that may be used to modify or refinance mortgages for primary residences in any state in which a member does business. Through HomeRetain, FHLBI will make available funding to its member financial institutions at the FHLBI's cost of funds, plus a small administrative markup. The financial institutions can then use those funds to help homeowners at risk of foreclosure to refinance their homes or modify their mortgages on more favorable terms.

Mortgages financed with HomeRetain funds can be made to homeowners earning 115 percent or less of an area's median income. Homeowners may not take any "cash out" of the modification or refinancing, and they must complete a homeowner counseling program. Additional guidelines can be found on the FHLBI website at [www.fhlbi.com](http://www.fhlbi.com) by clicking on HomeRetain under "current interest." HomeRetain funds/advances are not grants and are available to members on a secured basis; they are subject to the FHLBI's normal underwriting and collateral policies.

In round one, which closed June 30, 2008, a member financial institution could borrow up to \$15 million in HomeRetain funds. In the second round the amount of money requested by members is not affected by their first round requests and they can again participate up to an additional \$15 million per member.

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*The Federal Home Loan Bank of Indianapolis (FHLBI) is one of 12 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 their member financial institutions. FHLBanks are privately capitalized and funded, and receive no Congressional appropriations. The FHLBI is owned by its financial institution members, which include commercial banks, credit unions, insurance companies, and savings banks headquartered in Indiana and Michigan. For more information about the FHLBI and its Affordable Housing Program, visit [www.fhlbi.com](http://www.fhlbi.com).*