



FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Building Partnerships. Serving Communities.

November 18, 2005

RE: Notice of MPP Stock Requirement Change

To all FHLBI members:

The Board of Directors of the Federal Home Loan Bank of Indianapolis (FHLBI) today changed the activity-based stock requirement for the Mortgage Purchase Program (MPP) to 0%, subject to the notification provisions set forth below. This 0% stock purchase requirement will remain in effect until further notice. However, a member may by written request voluntarily elect to choose the 3% MPP activity-based requirement when executing a mandatory delivery commitment (MDC).

FHLBI's Capital Plan establishes stock requirements for MPP participation to be set by action of the Board of Directors within a range of 0% to 5%. This range allows FHLBI's Board the flexibility to manage the balance sheet and to meet members' needs as the financial environment changes.

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 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.

FHLBI is committed to "*Building Partnerships and Serving Communities.*" If you have any questions, please call Doug Iverson at 317-465-0559 regarding MPP transactions, or Jon Griffin at 317-465-0503 regarding your institution's stock requirements.

Sincerely,

/s/

Martin L. Heger
President and CEO