

**FHLBI is providing the information below following the
FHLBank of Seattle's decision to end its MPP**

- FHLBI is well prepared to remain focused on its members' needs, and is committed to both the mission of providing housing finance and to MPP.
- The 12 FHLBanks are governed by the same regulations and issue debt jointly. It is important to understand, however, that each bank is managed and operated by its own board of directors and management team.
- The banks are designed to operate as regional cooperatives and are driven by their members' needs.
- The Mortgage Purchase Program (MPP) was developed jointly by the FHLBanks of Cincinnati, Seattle, and Indianapolis, but each bank's program is managed separately because of the differences in risk profiles and regional differences in our customers.
- FHLBI has taken the necessary steps to mitigate the risks associated with the ownership of mortgages. These steps include more sophisticated modeling capabilities and systems, increasing the risk management staff, greater use of hedge instruments, and the FHLBI's Board adoption of a formal retained earnings policy.
- The FHLBI's capital plan has been in effect since January 2003.

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