



FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Building Partnerships. Serving Communities.

CREDIT BULLETIN

July 16, 2007

The FHLBI is pleased to announce that the **Rally Participating Bullet (RPB)** advance product has been approved by our Product Development and Review Committee and will be offered later this summer. Currently we are in the Beta testing stages of this exciting new advances product.

Here are some features of the RPB:

- The RPB combines a fixed rate bullet advance with a purchased (long) floor position.
- The floor is tied to 3 Month LIBOR.
- When 3 Month LIBOR falls below the embedded floor, the RPB rate adjusts down on a quarterly reset basis.
- The RPB allows members the protection of a fixed rate with the benefit of an adjustable rate should a bond rally occur.
- The amount of protection and associated cost is determined by the strike rate on the floor and the term of the advance.

We will be sending another notice to all members when we have finished our testing and are ready to offer the RPB advance to the membership, which we anticipate to be later this summer. In the meantime, if you would like to know more about this product, please call your Relationship Manager directly, or call the Advances Operations area of the FHLBI at 800-442-2568.

Sincerely,

A handwritten signature in black ink that reads "Brian K. McCoy".

Brian K. McCoy
AVP, Advances Manager