The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, D.C. 20218

Dear Director Thompson:

I write on behalf of the Indiana Bankers Association, representing Indiana's 116 banks across the state, regarding the Federal Housing Finance Agency's review of the Federal Home Loan Banks. We appreciate the opportunity to share our comments as part of the review process.

Our members are in every part of Indiana and face ongoing challenges providing access to credit in their rural and urban communities. The Federal Home Loan Bank of Indianapolis has been an invaluable partner in that regard. Indiana banks rely on FHLBI liquidity to support mortgage, commercial and economic development lending in the cities and towns they serve. Many of our members would find it difficult to remain competitive without the access to credit from FHLBI in all economic cycles.

Banks throughout Indiana also participate in FHLBI's Mortgage Purchase Program. The MPP is particularly helpful to community banks, allowing them to be competitive with larger market participants.

Indiana banks are also active in FHLBI's community investment programs. In the latest funding round of the Affordable Housing Program, 10 projects were funded through the participation of local banks, housing developers and FHLBI.

The regional and cooperative nature of the FHLB System is of particular importance to banks in Indiana. It ensures that the FHLBank is attuned to the unique needs of our members and the local communities they serve in a manner that would be impossible with a national "one size fits all" approach.

As you consider the future of the FHLBank System, we urge you to take care not to hamper the partnership between FHLBI and community bankers in Indiana. We strongly believe that this partnership is working as Congress intended, serves the public interest and is of great benefit to communities throughout Indiana.

Sincerely,

Amber R. Van Til
President & CEO
Indiana Bankers Association