



July 11, 2006

The Honorable Ronald A. Rosenfeld
Chairman
Federal Housing Finance Board
1625 I Street N.W.
Washington, DC 20006-4001

Re: Public Comments
Excess Stock Restrictions and Retained Earnings Requirements
for the Federal Home Loan Banks
#3069-AB30

Dear Honorable Rosenfeld:

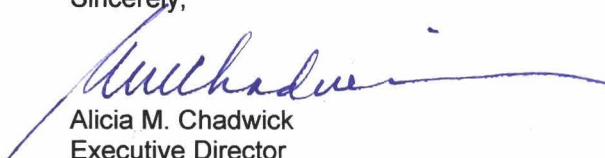
It is with great concern that I write to you today in regards to the proposed capital rule on the FHLBanks. Specifically, I am concerned with the affect that the rule will have on the ability of the Federal Home Loan Bank of Indianapolis to provide funding for affordable housing in central Indiana where needs are so great.

The Affordable Housing Program is a vital funding source to Crooked Creek Northwest Community Development Corporation's projects and to the people that we serve. Last year the Federal Home Loan Bank of Indianapolis was instrumental in our efforts to develop an assisted living residence for four physically disabled individuals. It is estimated that there is a need for at least 6,000 such units in central Indiana and, without AHP funding, we and other nonprofit housing organizations such as ours would be hard-pressed to respond to the needs of our communities.

This proposal to reduce FHLBank asset size, mortgage holdings and liquidity investments would reduce income and, ultimately, funds available for housing for low-income families and other vulnerable populations. Although difficult to predict, it is estimated that for the FHLBI, AHP grants would be reduced by over \$1 million per year. This decrease in funding would have a chilling impact on those we serve.

We earnestly ask that you reconsider this proposal.

Sincerely,



Alicia M. Chadwick
Executive Director

CC: Honorable Julia Carson