



July 7, 2007

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:

I am deeply troubled about the proposed capital rule on the FHLBanks. This proposed rule will significantly decrease the Federal Home Loan Bank of Indianapolis' ability to provide desperately needed funding for housing for lower income families and senior citizens in Indiana.

Milestone Ventures, Inc., is a consultant for non profits developing affordable multifamily housing. We access funds from The Affordable Housing Program annually, typically for three to six varying developments. These funds have been used by our clients for such uses as:

- To provide shelter for children removed from their homes via court orders,
- To renovate a 100-year old vacant downtown building and convert it to affordable rental housing,
- To construct single-story two-bedroom cottages for low-income senior citizens in a wooded setting, directly across from a Community Senior Citizen Center, with rent levels at just \$365 monthly, and many others.

None of these projects could have been accomplished without the Affordable Housing Program funds. These funds provide the equity needed to reduce the mortgages, thus keeping the rents affordable, and these funds help leverage other funding sources.

The proposal will reduce the FHLBI's available funding for the AHP program because it will have to use much of those funds to increase retained earnings. Competition for the FHLBI AHP funds already exceeds a ratio of 4 to 1, showing how crucial this funding source is to providing affordable housing. We have been seeking ways to increase funding for the AHP program. This proposal would, in fact, serve to decrease it, in an amount estimated to be \$1,000,000 annually.

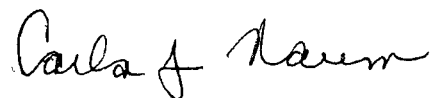
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Milestone Ventures, Inc., has been operating for almost six years, and in that time, has assisted nonprofit clients in the development of approximately 500 affordable rental units utilizing Affordable Housing Programs funds as one of the funding sources. Please do not take action, such as this proposed rule, that will have such a disastrous impact on the creation of more affordable housing.

Sincerely,

A handwritten signature in cursive script that reads "Carla J. Naum".

Carla J. Naum,

Principal

CC: Representative Dan Burton