

Date: 6 July 2006  
To: Federal Housing Finance Board  
From: Frank Hagaman, President  
Re: Federal Housing Finance Board Regulatory Proposal for the FHLBanks

Partners In Housing Development Corporation does not support the Federal Housing Finance Board's financial change proposal for the Federal Home Loan Bank of Indianapolis. As a customer of the FHLBI, Partners In Housing believes the proposal adversely impacts our business and clients. Partners In Housing has utilized the FHLBI to fund various area projects, and we are not in support of any legislation that may diminish this precious resource. This proposal would greatly hinder our ability to continue the development of affordable supportive housing for the homeless.

Without adequate funds from the FHLBI, our organization would no longer operate at a level sufficient to combat homelessness in Indianapolis. The proposal will reduce FHLBank asset size, mortgage holdings, and liquidity investments thereby reducing income and ultimately funds available to help low-income families obtain housing under the successful Affordable Housing Program. The FHLBI estimates that AHP grants to families will reduce by over \$1 million per year. This reduction of AHP grants would force many of our residents back into the streets. Without adequate grant funding from the AHP, non-profits like PIHDC around the city will be unable to combat Indianapolis' homelessness. In conclusion, Partners In Housing Development Corporation does not support the Federal Housing Finance Board's March 8<sup>th</sup>, 2006 proposal.

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