

March 30, 2009

Mr. Russell G. Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 P. O. Box 5116 Norwalk, CT 06856-5116



LETTER OF COMMENT NO.



File Reference: Proposed FSP FAS 115-a, 124-a, and EITF 99-20

Dear Mr. Golden:

Thank you for the opportunity to comment on the proposed FASB Staff Position No. FAS 115-a, FAS 124-a, and EITF 99-20-b, "Recognition and Presentation of Other-Than-Temporary Impairments," (hereinafter referred to as the "proposed FSP"). The Federal Home Loan Bank of Indianapolis generally supports the proposed FSP. We also affirm our support of the position stated in a letter from the Council of Federal Home Loan Banks that was submitted to you under separate cover on March 27, 2009.

We believe that recognition of only the credit component of an other-than-temporary impairment in earnings improves the accounting for investment securities because it more closely aligns the amounts recognized in earnings for the impairment of debt securities with the amounts recognized for the impairment of loans. Recognition of the credit component alone provides useful and meaningful information because it informs users of the actual loss expected to be realized and eliminates the distortion of future earnings that occurs under the existing accounting rules. Recording the non-credit component of impairment of available-for-sale securities in other comprehensive income ("OCI") is an improvement in the accounting for such securities because changes in fair value are currently recorded in OCI and the securities are already carried at fair value.

We suggest that the Board revise the proposed requirements for debt securities classified as held-to-maturity to further conform the accounting for these securities with the accounting for loans held for investment by not requiring recognition of the non-credit component of impairment. Instead, the fair value and the unrealized loss attributable to the non-credit component should continue to be shown in the disclosures to the financial statements where they are readily available to financial statement users. Forcing fair value losses into current net income for held-to-maturity investments makes little sense. Increases or decreases in values are anecdotal quarterly measures and do not accurately demonstrate how the investment will actually perform for the held-to-maturity investor.

Finally, while we believe that the proposed effective date of interim and annual periods after March 15, 2009, is operational, we do suggest that the Board consider permitting retrospective application of the guidance in the interest of assuring comparability of financial statements among financial institutions.

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We thank the Board for its consideration of our views and welcome the opportunity to discuss this matter with the Board and its staff. Please do not hesitate to contact me at (317) 465-0450.

Sincerely,

Milton J. Miller President & CEO