



March 6, 2009

Neil M. Barofsky  
Special Inspector General – TARP  
1500 Pennsylvania Avenue, NW, Suite 1064  
Washington, D.C. 20220

Dear Special Inspector General Barofsky,

AMB Financial Corporation (the Company), the holding corporation for American Savings, FSB (the Bank), filed a TARP Capital Purchase Program Application with the US Treasury through the Office of Thrift Supervision on November 12, 2008. The US Treasury approved the application and the funds in the amount of \$3,674,000 were dispersed to the Company on January 30, 2009. (See attachment A)



Upon receipt of the \$3,674,000 of TARP funds, the full amount was immediately deposited into the Company's money market account at the Bank. On February 5, 2009, \$2,674,000 was transferred to the Bank as a capital contribution, and \$1,000,000 was retained at the Company to cover future dividend payments specifically related to the TARP preferred stock. This activity is illustrated in the Company's January and February money market statements and the Bank's general ledger journal transaction sheet. (See attachments D, E and F)

The Company's anticipated use of TARP funds remains unchanged. The Company, through the Bank, intends to continue its prudent lending activities through its existing branch structure. At the same time, The Bank will purchase mortgage-backed securities and debt from government-sponsored entities such as FNMA and FHLMC, to the extent we are unable to invest the TARP funds in prudent loans. For the month of February, we closed \$4,900,000 of loans compared to \$2,400,000 for the month of January.

Prior to receiving TARP funds, the Bank was considered "well capitalized" by regulatory standards. Core Capital was 8.57% and Risk-based Capital was 13.01% on September 30, 2008. Based on the September 30 figures, after the injection of TARP funds, Core Capital rose to 9.94% and Risk-based Capital increased to 15.03%. (See attachment G)

Despite this level of capital, based on the current economic environment as well as the cash flow requirements of our borrowings, our board previously felt that our growth should be limited due to our capital level. The infusion in capital allows the Bank to increase its lending activity, to the extend demand is present in our marketplace. At the same time, the excess capital has allowed the Bank to introduce its new American Hope Program. (See attachments H and I) The American Hope Program allows the Bank to work with its mortgage customers to avoid foreclosure and help them remain in their primary residence while they attempt to get back on their feet. The Bank believes that it is imperative to bring relief to responsible homeowners struggling to make their mortgage payments, while preventing neighborhoods and communities from suffering the negative spillover effects of foreclosure, such as lower housing prices, increased crime and higher taxes.

The Board of Directors and the management team of the Company are aware of the compensation restrictions associated with the TARP program. Only two officers of the Company (President/ CEO Michael Mellon and Vice President/ CFO Steven Bohn) are compensated in excess of \$100,000 per year with neither officer compensated in excess of \$180,000. We note that currently our only discretionary compensation is an annual bonus plan and that, due to the recent difficult economic environment, neither officer received a cash bonus in 2007 or 2008. (b) (4)

(b) (4) The current compensation structure for the organization complies with the TARP program, and compensation breakdown for Mr. Mellon and Mr. Bohn is listed on the attached worksheet for 2008 compensation. (See attachment J)

The compensation committee of the Company is comprised of two outside directors. This committee is aware of their responsibility to review the Company's compensation structure within 90 days of receiving TARP funds to ensure that the Company's compensation plans do not encourage unnecessary and excessive risks. The committee intends to meet during the month of March 2008 to review all compensation plans in the organization. The Company does not currently utilize incentive compensation for senior executive officers that might pose unnecessary and excessive risks that threaten the value of the financial institution during the period that the Treasury holds an equity position in the Company. Finally, please note that, although we are a private company, we plan to include a "say on pay" proposal in our proxy statement for this year's annual meeting of stockholders.

I certify that, to the best of my knowledge, all of the statements made herein are in all material respects, accurate [subject to the requirements and penalties set forth in Title 18, U.S.C., Section 1001]

Please contact me at (b) (6) if you have any comments or require additional information

Sincerely,



Michael Mellon  
President  
AMB Financial Corp.



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Home > Cash Management > CMS Inquiries > Historical Journal Listing

**American Savings, FSB**

**CMS Account Inquiries**

**Continuous TIME Account Activity**


Account: **(b) (4)**

Date	Journal codes	Description	Debits	Credits	As of date
01/30/2009	JQ	INCOMING WIRES		\$3,674,000.00	
01/30/2009	PA	PAYMENT ON ADVANCES	\$1,000,000.00		
01/30/2009	PA	PAYMENT ON ADVANCES	\$1,000,000.00		
01/30/2009	JQ	INCOMING WIRES		\$845,000.00	
01/30/2009	PA	PAYMENT ON ADVANCES	\$500,000.00		
01/29/2009	JQ	INCOMING WIRES		\$225,000.00	
01/28/2009	JQ	INCOMING WIRES		\$645,000.00	
01/26/2009	JX	RECURRING OUTGOING WIRE	\$320,000.00		
01/23/2009	PA	PAYMENT ON ADVANCES	\$1,000,000.00		
01/23/2009	JQ	INCOMING WIRES		\$660,000.00	
01/23/2009	PA	PAYMENT ON ADVANCES	\$500,000.00		
01/23/2009	PA	PAYMENT ON ADVANCES	\$500,000.00		
01/22/2009	WI	WIRE IN		\$300,000.00	01/21/2009
01/22/2009	JQ	INCOMING WIRES		\$690,000.00	
01/21/2009	JQ	INCOMING WIRES		\$600,000.00	
01/21/2009	JQ	INCOMING WIRES		\$120,000.00	
01/20/2009	JX	RECURRING OUTGOING WIRE	\$250,000.00		
01/20/2009	JX	RECURRING OUTGOING WIRE	\$230,000.00		
01/15/2009	JQ	INCOMING WIRES		\$1,000,000.00	
01/15/2009	JQ	INCOMING WIRES		\$520,000.00	
01/14/2009	JX	RECURRING OUTGOING WIRE	\$330,000.00		
01/13/2009	JX	RECURRING OUTGOING WIRE	\$310,000.00		
01/12/2009	JX	RECURRING OUTGOING	\$1,450,000.00		

Date	Account	Description	Amount	Balance
		WIRE		
01/12/2009	AD	PROCEEDS ON ADVANCES		\$1,000,000.00
01/09/2009	JQ	INCOMING WIRES		\$50,000.00
01/08/2009	JX	RECURRING OUTGOING WIRE	\$290,000.00	
01/07/2009	JX	RECURRING OUTGOING WIRE	\$345,000.00	
01/06/2009	JQ	INCOMING WIRES		\$750,000.00
01/05/2009	JQ	INCOMING WIRES		\$650,000.00
01/02/2009	XP	INTEREST PAID ON TIME		\$33.80
01/02/2009	JX	RECURRING OUTGOING WIRE	\$1,400,000.00	
01/02/2009	AD	PROCEEDS ON ADVANCES		\$1,000,000.00
01/02/2009	JX	RECURRING OUTGOING WIRE	\$350,000.00	
Totals:			\$9,775,000.00	\$12,729,033.80

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### American Savings, FSB

### CMS Account Inquiries

### CMS Historical Account Summary

#### Time Account February 2009

**(b) (4)**

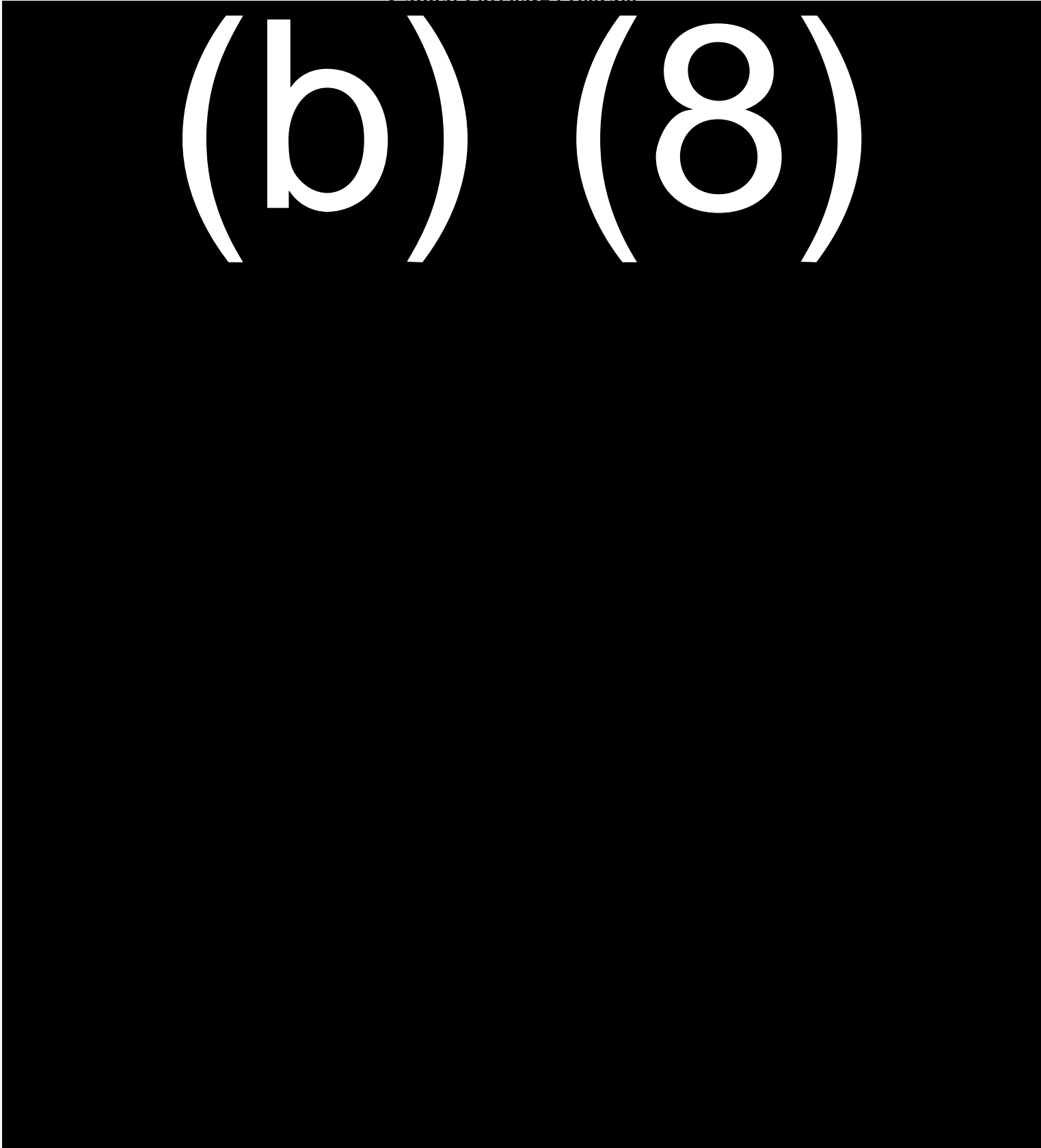
Date	Balance
02/27/09	6,656,958.82
02/26/09	6,486,958.82
02/25/09	6,931,958.82
02/24/09	7,446,958.82
02/23/09	6,826,958.82
02/20/09	5,751,958.82
02/19/09	5,221,958.82
02/18/09	4,711,958.82
02/17/09	3,991,958.82
02/13/09	4,391,958.82
02/12/09	3,791,958.82
02/11/09	5,306,958.82
02/10/09	4,976,958.82
02/09/09	4,286,958.82
02/06/09	4,904,958.82
02/05/09	4,674,958.82
02/04/09	5,499,958.82
02/03/09	5,949,958.82
02/02/09	4,549,958.82

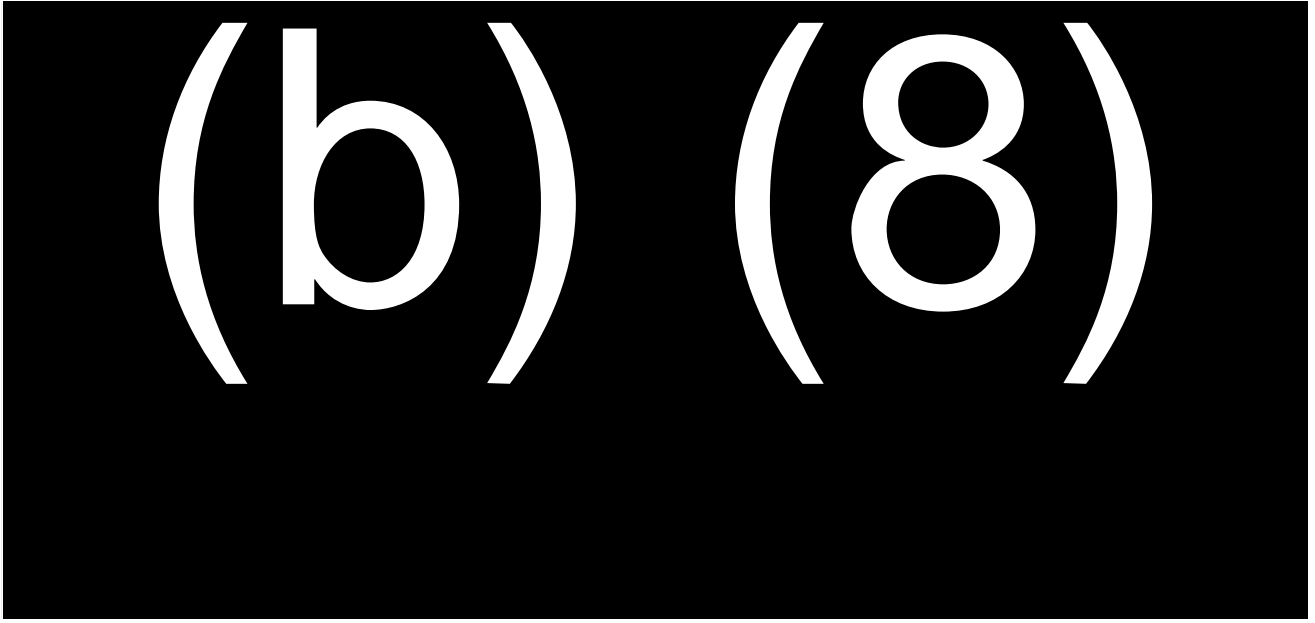
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**Troubled Asset Relief Program (TARP)**  
**Capital Purchase Program**

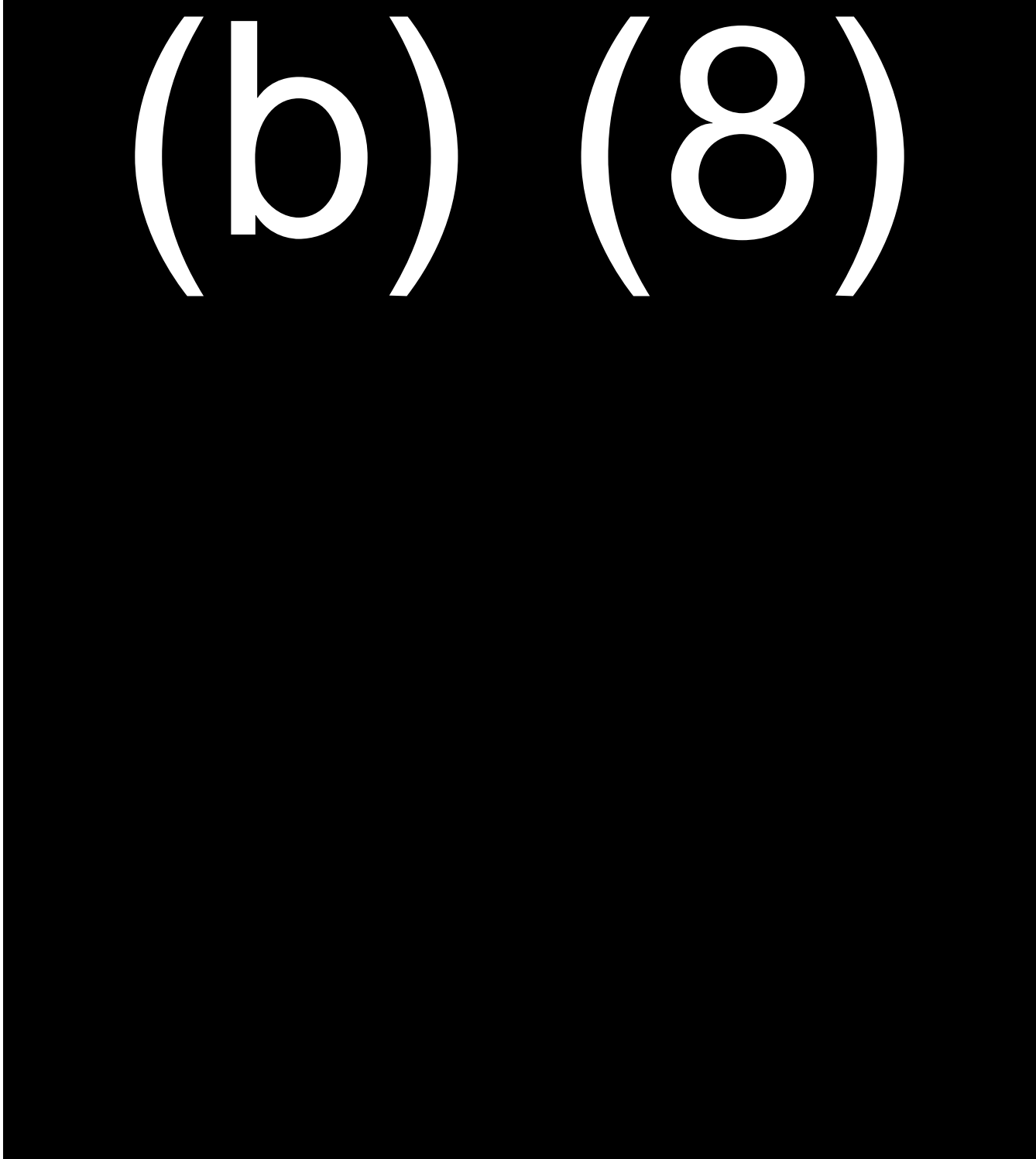
**(b) (8)**





November 12, 2008

(b) (8)





(b) (8)

AMB FINANCIAL CORP

BRANCH #01

080

DATE	DESCRIPTION	AMOUNT	BALANCE
	(b) (4) MONEY MARKET ACCOUNT		
01-01	BEGINNING BALANCE		614,795.77
01-02	1-2 TRF FUNDS	15,000.00-	599,795.77
01-20	CHECK DEPOSIT	144,491.38	744,287.15
01-21	CHECK DEPOSIT	69,891.00	814,178.15
01-30	1-494 ACH OUT NOVOGRODER	6,794.52-	807,383.63
01-30	1-493 ACH OUT KNAPP JR INT ON BORRO	6,794.52-	800,589.11
01-30	1-499 CPP PROCEEDS FR UST	3,674,000.00	4,474,589.11
01-30	1-497 TRF FUNDS-AMB	15,000.00-	4,459,589.11
01-31	INTEREST AVERAGE RATE: (b) (4)	2,023.17	4,461,612.28
01-31	ENDING BALANCE		4,461,612.28

\*\*\* STATEMENT SUMMARY \*\*\*

STATEMENT PERIOD FROM 01-01-09 THROUGH 01-31-09

INTEREST PERIOD FROM 01-01-09 THROUGH 01-31-09

0	CHECK TRANSACTIONS	
4	WITHDRAWALS	43,589.04
3	DEPOSITS	3,888,382.38
	Overdraft Item Fees PTD	.00
	Overdraft Item Fees YTD	.00
	Return Item Fees PTD	.00
	Return Item Fees YTD	.00
	INTEREST FOR PERIOD	2,023.17
	INTEREST YEAR TO DATE	2,023.17
	ANNUAL PERCENTAGE YIELD EARNED	2.63%
	AVERAGE BALANCE:	916,199.62

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AMB FINANCIAL CORP

BRANCH #01

080

DATE	DESCRIPTION	AMOUNT	BALANCE
	(b) (4) MONEY MARKET ACCOUNT		
02-01	BEGINNING BALANCE		4,461,612.28
02-04	1-568 TRF FUNDS AMB	10,000.00-	4,451,612.28
<del>02-05</del>	<del>1-579 CPP PROCEEDS TO AMERICAN</del>	<del>2,674,000.00-</del>	<del>1,777,612.28</del>
02-10	NORTHWEST CUSTOM PAINT	850.00-	1,776,762.28
02-13	1-710 TRF FUNDS AMB	5,000.00-	1,771,762.28
02-18	1-781 TRF FUNDS-AMB	30,000.00-	1,741,762.28
02-19	CHECK WITHDRAWAL	697.30-	1,741,064.98
02-19	CHECK WITHDRAWAL	200.00-	1,740,864.98
02-19	CHECK WITHDRAWAL	350.00-	1,740,514.98
02-19	CHECK WITHDRAWAL	425.00-	1,740,089.98
02-26	1-917 AMB TRF FUNDS	10,000.00-	1,730,089.98
02-27	1-928 ACH OUT KNAPP INT	6,137.00-	1,723,952.98
02-27	1-929 ACH NOVOGRODER INT	6,137.00-	1,717,815.98
02-27	8915 WINDING TRAIL	290.00-	1,717,525.98
02-28	INTEREST AVERAGE RATE: (b) (4)	3,448.12	1,720,974.10
02-28	ENDING BALANCE		1,720,974.10

\*\*\* STATEMENT SUMMARY \*\*\*

STATEMENT PERIOD FROM 02-01-09 THROUGH 02-28-09

INTEREST PERIOD FROM 02-01-09 THROUGH 02-28-09

0 CHECK TRANSACTIONS	
13 WITHDRAWALS	2,744,086.30
0 DEPOSITS	.00
Overdraft Item Fees PTD	.00
Overdraft Item Fees YTD	.00
Return Item Fees PTD	.00
Return Item Fees YTD	.00
INTEREST FOR PERIOD	3,448.12
INTEREST YEAR TO DATE	5,471.29
ANNUAL PERCENTAGE YIELD EARNED	2.12%
AVERAGE BALANCE:	2,142,897.96

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# Attachment F

AMERICAN SAVINGS FSB  
GENERAL LEDGER 7.41

RUN DATE: 03/03/2009

CUMULATIVE TRANSACTION JOURNAL - ALL TRANSACTIONS. 01/01/2009 - 02/28/2009. INCLUDING ACCOUNTS W/O ACTIVITY

PAGE: 1

ACCOUNT NUMBER & NAME

CENTER NUMBER & NAME	DEBIT	CREDIT	VOUCHER	DESCRIPTION	DATE	BALANCE
30000600 UST CPP CAPITAL FROM AMB						
1001 Corporate Office						
		-2,674,000.00	EOM Entrv			
	0.00	-2,674,000.00				
				BEGINNING BALANCE AT THIS CENTER:		0.00
				BD 020509:CPP Proceeds to American	01-31-09	-2,674,000.00

# Attachment G

Capital Calculation	\$2.674M TARP Capital + \$0 Leverage		Current No TARP Capital	
	September 30, 2008		September 30, 2008	
	Amount	Percent of Assets	Amount	Percent of Assets
Stockholders' equity of the Bank	\$ 15,033,590	8.57%	15,033,590	8.57%
Total Equity	15,033,590		15,033,590	
(Add) Deduct AFS Adj	(16,145)		(16,145)	
10% MSR Deduction	(523)		(523)	
(Add) Deduct AFS Adj	6,458		6,458	
Total Tangible Capital	15,042,753		15,042,753	
Add TARP Capital	2,674,000		-	
Total TARP Adjusted Capital	17,716,753		15,042,753	
Tangible capital	17,716,753	9.94%	15,042,753	8.57%
Tangible capital requirement	2,672,792	1.50%	2,632,682	1.50%
Excess	\$ 15,043,961	8.44%	12,410,071	7.07%
Core capital	17,716,753	9.94%	15,042,753	8.57%
Core capital requirement	7,127,080	4.00%	7,020,120	4.00%
Excess	\$ 10,589,673	5.94%	8,022,633	4.57%
Core and supplementary capital	18,610,920	15.03%	15,936,920	13.01%
Risk-based capital requirement	9,905,382	8.00%	9,798,422	8.00%
Excess	\$ 8,705,538	7.03%	6,138,498	5.01%
Adjusted Total Bank assets	175,502,888		175,502,888	
Add Leverage FHLBI Advance Proceeds	-		-	
Add TARP Capital Proceeds	2,674,000		-	
Total TARP Adjusted Bank Assets	178,176,888		175,502,888	
Total Bank assets - TFR	\$ 175,503,000		175,503,000	
ADD Leverage FHLBI Advance Proceeds	-		-	
Add TARP Capital Proceeds	2,674,000		-	
Total TARP Adjusted Assets TFR	178,177,000		175,503,000	
Adjusted Total Bank assets	178,186,164		175,512,164	
Total risk-weighted assets	122,480,271		122,480,271	
FHLBI Leverage Proceeds * 50% Risk Based	-		-	
TARP Proceeds * 50% Risk Based	1,337,000		-	
Total TARP Adjusted Risk Weighted Assets	123,817,271		122,480,271	
General Loan Loss Reserves	894,166		894,166	

American Savings, FSB  
American Hope Program  
March 2009

American Savings, FSB understands sometimes situations occur that make it difficult for you to make your monthly mortgage payments. Our American Hope Program was specifically created to help our customers who are experiencing these hardships.

To determine the need for hardship assistance, start with the following questions:

- Are you unemployed?
- Have you had a change in jobs that has caused a decrease in your income?
- Have you had to relocate due to loss of employment or a job transfer?
- Is illness affecting your ability to make your current mortgage payments?
- Has divorce affected your ability to make mortgage payments?
- Has there been a recent death in the family?
- Have you been impacted by a natural disaster?

If you answered "Yes" to any of the above questions, we may be able to assist you!

## Your Hardship Assistance Options

### Options to Keep Your Home

#### **Forbearance**

A forbearance plan may be available if your financial situation is temporary and you will be able to make your mortgage payments within the near future, we may be able to approve a temporary forbearance – either delayed payments or reduced payments, or both – to allow you time to bring the account current.

#### **Repayment Plan**

A repayment plan may be available if you can make your regular payment plus an additional amount per month until the loan is brought current. This option may follow a temporary forbearance.

### **Modification**

A modification plan may be available by modifying the terms of your loan in order to make the monthly payment affordable.

## Options to Sell Your Home

### **Short Sale**

If you can no longer afford your home and the property's sales value is not sufficient to pay your loan in full, we may be able to accept less than the full payoff amount as settlement.

### **Loan Assumption**

If you have a qualified buyer who would like to assume your mortgage loan, we may allow this transfer of ownership, even if your mortgage/deed of trust states that the loan is non-assumable.

### **Deed-in-Lieu**

If you have had the property listed for sale at fair market value for 90 days with no activity, we can review the account for a deed-in-lieu. If you qualify, we would agree to accept title to the property by warranty deed as settlement of the account.

**Please note:** The approval of a hardship option will be based on the information submitted in the Hardship Assistance Package.

Please review the available options and then call our American Hope Program Team to request assistance. In order for American Savings, FSB to review your loan, you must provide us with some basic information.

Once you have reviewed our American Hope Program options please call to make an appointment with one of our American Hope Program specialists. The following supporting documentation will be needed in order to assist with your American Hope Program review:

- 2 recent consecutive pay stubs (or profit and loss statement), or
- 2 consecutive months of bank statements, or
- 2 consecutive tax returns, and

- Letter of Authorization, *if applicable to speak with a third party*

Please note your mortgage account number on the top right-hand corner of each page for identification.

If you have a First Mortgage with American Savings, FSB  
(Purchase money or refinance):

Call us at 1-219-322-5005 Monday through Friday between the hours of 9:00 a.m. and  
5:00 p.m. Central

You can fax the completed package to 1-219-322-5166, or mail it to:

American Savings, FSB  
1001 Main Street  
Dyer, IN 46311  
Attn: Todd Williams



# American Hope Program



Please send copies of:

- 2 recent consecutive pay stubs, or
- 2 consecutive months of bank statements, or
- 2 consecutive tax returns

American Savings, FSB Loan Number

What are your intentions regarding this property?      Sell      Rent      Keep

## Part A Borrower Information

Borrower Name	Social Security Number	Co-Borrower Name	Social Security Number
Borrower Phone Numbers Day _____ Evening _____ Cell _____		Co-Borrower Phone Numbers Day _____ Evening _____ Cell _____	
Property Address Street _____ City _____ State _____ Zip _____		Mailing Address (if applicable) Street _____ City _____ State _____ Zip _____	
Email Address		Email Address	
Employer (Current)	Position	Employer (Current)	Position
Years on Job	Employer Phone	Years on Job	Employer Phone
If in current job for less than 5 years, enter your previous employer information below.			
Employer (Previous)	Position	Employer (Previous)	Position
Years on Job	Employer Phone	Years on Job	Employer Phone

## Part B Property Information

Is this property for SALE?      Yes      No	Is this property for RENT?      Yes      No		
List Date _____ Price _____	Monthly Rent	Monthly Last Paid	Date Lease Expires
Realtor Name			
Realtor Phone			

## Part C Monthly Income

Description (Monthly)	
Net Salary/Wages	
Other Income	
Other Additional Income (i.e. SSI, Rental, Second Job, Child Support)	
Total Net Income	

# American Hope Program

Page 2



## Part D Monthly Expenses

Description (Monthly)	Monthly Payment	Balance Due	# Months Delinquent
1) Primary Home Mortgage	\$	\$	
2) Taxes on Primary Home (if not included in #1)	\$	\$	
3) Insurance on Primary Home (if not included in #1)	\$	\$	
4) Rent Payment (if owner not occupying subject property)	\$	\$	
5) Maintenance/Homeowner's Association Fees	\$	\$	
6) Other Mortgages	\$	\$	
7) Automobile Loans	\$	\$	
8) Other Loans	\$	\$	
9) Credit Cards (minimum payment)	\$	\$	
10) Alimony /Child Support	\$	\$	
11) Child/Dependent Care	\$	\$	
12) Utilities (water, electricity, gas, TV, etc.)	\$	\$	
13) Telephone (landline and cell phone)	\$	\$	
14) Insurance (automobile, health, life)	\$	\$	
15) Medical Expenses (uninsured)	\$	\$	
16) Car Expenses (gas, maintenance, parking)	\$	\$	
17) Groceries and Toiletries	\$	\$	
18) Other Monthly Expense (explain)	\$	\$	
19) Other Monthly Expense (explain)	\$	\$	
20) Other Monthly Expense (explain)	\$	\$	
TOTAL	\$	\$	

## Part E General Questions

Please try to complete as many of the questions as possible. Additional information may be necessary and American Savings will need to speak with you during the assistance process.

- 1) Do you occupy this property as a Primary Residence? Yes No  
 If Yes, how long have you lived at this residence? Years \_\_\_\_\_ Months \_\_\_\_\_
- 2) How many people live in the household? \_\_\_\_\_
- 3) Do you have any dependents under the age of 18? Yes No If Yes, how many? \_\_\_\_\_
- 4) Do you have any other debts or obligations secured by this property ( i.e. second mortgage, home equity loan, judgments or liens)?  
 Yes No If Yes, please itemize these debts or obligations below.

Debt/Obligation	Amount
	\$
	\$
	\$

5) Do you own any other properties? Yes No If Yes, how many? \_\_\_\_\_ If yes, please complete the following items.

Monthly Payment	Rental Income	Principal Balance	Is the property currently vacant?	
			Yes	No
			Yes	No
			Yes	No

- 6) What is the amount of funds you immediately have available to apply toward your mortgage delinquency? \$
- 7) In addition to the amount stated above, what amount will you have available in 30 days? \$

# American Hope Program

Page 3



## Part E General Questions (continued)

Please try to complete as many of the questions as possible. Additional information may be necessary and American Savings will need to speak with you during the assistance process.

Briefly explain the reason why you are behind on your mortgage payment(s) or are in imminent danger of default. (If needed, attach a separate sheet of paper for explanation.)

What is your proposal for repaying the arrearage?



# Attachment J

2008 Compensation		Year	Salary	Paid 2008 Bonus	Stock Awards	Option Awards	Components of All Other Compensation			Total	
							Deferred Compensation Contributions W-2 box 11	401 K Company Match	Deferred Compensation Interest Earnings		ESOP Contributions Earnings
Michael Mellon President / CEO	2008 W-2 box 1		123,464.39								
	401K Deductions		14,283.76								
	Less Bonus		-								
			<u>137,748.15</u>	-	-	-	4,276.41	2,097.11	3,433.40	10,006.51	157,561.58
Steven A. Bohn VP / CFO	2008 W-2 box 1		96,221.46								
	401K Deductions		4,359.42								
	Less Bonus		-								
			<u>100,580.88</u>	-	-	-	-	1,089.95	-	-	101,670.83