

**Federal
Home Loan Bank
of Chicago**

111 East Wacker Drive Chicago, Illinois 60601 (312) 565-5700

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July 20, 2000

VIA FACSIMILE

Communications Division
Office of the Comptroller
of the Currency
250 E Street, W.E., 3rd Floor
Washington, D.C. 20219
Attn: Docket No. 00-11

VIA FACSIMILE

Robert E. Fieldname
Executive Secretary
Attention: Comments/OES
Federal Deposit Insurance
Corporation
550 17th St. Building, N.W.
Washington, D.C. 20429
Attn: RIN 3064-AC33

VIA INTERNET

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th and C Streets, N.W.
Washington, D.C. 20551
Attn: Docket No.1069

VIA FACSIMILE

Manager
Dissemination Branch
Information Management &
Services Division
Office of Thrift
Supervision
1700 G Street, N.W.
Washington, DC 20552
Attn: Docket No. 2000-44

Re: Disclosure and Reporting of CRA-Related Agreements

Dear Sir or Madam:

The Federal Home Loan Bank of Chicago ("Bank") is pleased to submit its comment on the joint notice of proposed rulemaking published in the May 19, 2000 Federal Register by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and the Office of Thrift Supervision (collectively, the "Agencies") regarding "Disclosure and Reporting of CRA-Related Agreements."

Our comments focus on the proposed definition of "nongovernmental entity or person." The proposed definition states that a "nongovernmental entity or person" is any "partnership, association, trust, joint venture, . . . other organization, or individual." The definition continues by excluding certain entities from the "nongovernmental entity or person" definition. Excluded from being considered "nongovernmental entity or person" are "the United States government, a state government . . . or an Indian tribe . . . or a department, agency or instrumentality of any such entity." The Bank interprets the

"instrumentality" language to be referring back to the "U.S. government." Thus, the Bank, which is one of twelve regional banks that are instrumentalities of the United States and organized under the authority of the Federal Home Loan Bank Act ("Bank Act"), would not be subject to the proposed regulation. See, 12 U.S.C. §§ 1423, 1431, 1432(a). However, while the Bank believes it is not included in this definition because it is an instrumentality of the United States government, the Bank is concerned that others may take a different view as to the applicability of this regulation on the Bank. To that end, the Bank requests that the Agencies explicitly exclude the Federal Home Loan Banks from the definition of "nongovernmental entity or person."

If, however, the Agencies were to take the view that the Bank is not an instrumentality and therefore subject to the proposed regulation, the Bank wishes to state that its current government monitoring and reporting requirements provide ample oversight over the allocation of Bank resources for community development. The Bank Act requires the Bank to offer community development programs. The Federal Housing Finance Board, the Bank's regulatory agency, has also implemented regulations governing these programs. These programs are monitored yearly by FHFB and the Bank is subject to yearly on-site examinations by the FHFB. Thus to consider the Federal Home Loan Banks as "nongovernmental entities" under the proposed regulations would be duplicative of regulatory scrutiny that already is provided.

Therefore, the Bank requests that the Agencies specifically exclude the Federal Home Loan Banks from the definition of "nongovernmental entity or person."

Your consideration of our views on this matter is appreciated. Thank you for the opportunity to comment. Should you have any questions regarding this comment letter, please contact Peter E. Gutzmer, Senior Vice President, General Counsel and Corporate Secretary, at (312) 565-5805.

Sincerely,



Michael M.F. Liu
Senior Vice President