

FEDERAL HOUSING FINANCE BOARD

OPEN MEETING

Wednesday, April 9, 2003

Board Room
1777 F Street, N.W.
Washington, D.C.

The meeting convened at 10:15 a.m.,
at 1777 F Street, N.W., Second Floor Board Room,
Washington, D.C.

MEMBERS PRESENT:

JOHN T. KORSMO, Chairman
J. TIMOTHY O'NEILL, Director
FRANZ S. LEICHTER, Director
JOHN C. WEICHER, Director
ALLAN I. MENDELOWITZ, Director

PARTICIPATING STAFF:

MARY H. GOTTLIEB, Secretary
ARNOLD INTRATER, General Counsel

P R O C E E D I N G S

CHAIRMAN KORSMO: This meeting of the Federal Housing Finance Board will come to order.

Before we turn to our agenda let me ask my colleagues to join me in a brief moment of silence to honor the brave young men and women whose courage and commitment make it possible for us to sit here and debate the fine points of enhanced disclosure and multi-district membership.

[Pause.]

CHAIRMAN KORSMO: Thank you very much.

Dr. Weicher also wanted it noted for the record that he was the first one here today so that when that doesn't happen next time, we can harken back to this session.

MR. LEICHTER: Well, he fooled us all. He said "I'll be there at 10:15" and then he came earlier so he could show us all up.

CHAIRMAN KORSMO: The single item on our agenda today is the appointment of four directors to the boards of the Federal Home Loan Banks of Cincinnati, San Francisco, Boston and Atlanta. The four vacancies come as a result of the resignation of directors in Cincinnati and San

Francisco, the ineligibility of a previous appointment we made to the board of the Federal Home Loan Bank of Boston, and the unfortunate death of Rob Woodson, our appointee to the board of the Federal Home Loan Bank of Atlanta.

We'll turn first to the nomination to fill the vacancy at the Boston bank. The nominee I'm presenting to the board is Gene Giles Chandler of Bartlett, New Hampshire. Are there any other nominations to fill the vacancy on the board of directors of the Federal Home Loan Bank of Boston? Are there any other nominations?

Hearing none, the secretary will call the roll on the nomination of Gene Chandler of Bartlett, New Hampshire to serve as a director of the Federal Home Loan Bank of Boston.

MS. GOTTLIEB: On the matter of the appointment of Gene Giles Chandler to the board of directors of the Federal Home Loan Bank of Boston, Director Leichter, how do you vote?

MR. LEICHTER: Yes.

MS. GOTTLIEB: Director O'Neill?

MR. O'NEILL: Aye.

MS. GOTTLIEB: Director Mendelowitz?

MR. MENDELOWITZ: Yes.

MS. GOTTLIEB: Director Weicher?

DR. WEICHER: Aye.

MS. GOTTLIEB: Chairman Korsmo?

CHAIRMAN KORSMO: Yes.

Gene Giles Chandler of Bartlett, New Hampshire is appointed to the board of the Federal Home Loan Bank of Nebraska--Boston. We're moving the Boston bank to Nebraska.

The second nomination is the nomination of Karen Basha Egozi of Miami, Florida to fill the vacancy created by the death of Rob Woodson on the board of the Federal Home Loan Bank of Atlanta. Are there any other nominations? Are there any other nominations?

Hearing none, the secretary will please call the roll on the nomination of Karen Basha Egozi to serve on the board of the Federal Home Loan Bank of Atlanta.

MS. GOTTLIEB: On the matter of the appointment of Karen Basha Egozi to the board of directors of the Federal Home Loan Bank of Atlanta, Director Leichter, how do you vote?

MR. LEICHTER: Yes.

MS. GOTTLIEB: Director O'Neill?

MR. O'NEILL: Aye.

MS. GOTTLIEB: Director Mendelowitz?

MR. MENDELOWITZ: Yes.

MS. GOTTLIEB: Director Weicher?

DR. WEICHER: Aye.

MS. GOTTLIEB: Chairman Korsmo?

CHAIRMAN KORSMO: Aye.

The nomination of Karen Basha Egozi is approved to serve on the board of directors of the Federal Home Loan Bank of Atlanta.

The next nomination is the nomination of Carl Wick of Centerville, Ohio, to serve on the board of the Federal Home Loan Bank of Cincinnati. Are there any other nominations? Are there any other nominations?

Seeing none, the secretary will please call the roll on the nomination of Carl Wick to serve as a member of the board of directors of the Federal Home Loan Bank of Cincinnati.

MS. GOTTLIEB: On the matter of the appointment of Carl F. Wick to the board of directors of the Federal Home Loan Bank of Cincinnati, Director Leichter, how do you vote?

MR. LEICHTER: Yes.

MS. GOTTLIEB: Director O'Neill?

MR. O'NEILL: Aye.

MS. GOTTLIEB: Director Mendelowitz?

MR. MENDELOWITZ: Yes.

MS. GOTTLIEB: Director Weicher?

DR. WEICHER: Aye.

MS. GOTTLIEB: Chairman Korsmo?

CHAIRMAN KORSMO: Yes.

The nomination of Carl Wick as a member of the board of directors of the Federal Home Loan Bank of Cincinnati is approved.

The fourth nomination is the nomination of John T. Wasley of Los Angeles, California to serve as a member of the board of directors of the Federal Home Loan Bank of San Francisco. Are there any other nominations? Are there any other nominations? Director Leichter?

MR. LEICHTER: This is not a nomination. This is nothing in relation to Mr. Wasley. I just want to point out that two days ago we had a briefing by Steve Cross in connection with a meeting of the chairs and the vice chairs about governance of the Home Loan Banks. It was a very good briefing and a good analysis and one of the points that

Steve Cross made is the importance of having experienced and knowledgeable directors. He also expressed some concern about the turnover on the board of directors, a concern that I previously expressed.

I just want at this point just to state and just remind us all of the importance of having people who are fully competent, not just in whatever business or profession they're in but having competence in financial affairs. And, of course, we do have a regulation that we're considering which hopefully will provide direction and guidance for us to have financial competence on each board, but I just want to make sure that we keep this in mind so that we don't have any disconnect between what we tell the boards we're doing on governance and what we do ourselves here in the appointment of public interest directors.

CHAIRMAN KORSMO: Thank you, Director Leichter.

Are there any other nominations?

Hearing none, the secretary will please call the roll on the nomination of John. T. Wasley to serve on the board of the Federal Home Loan Bank of San Francisco.

MS. GOTTLIEB: On the appointment of John T. Wasley to the board of directors of the Federal Home Loan Bank of San Francisco, Director Leichter, how do you vote?

MR. LEICHTER: Yes.

MS. GOTTLIEB: Director O'Neill?

MR. O'NEILL: Aye.

MS. GOTTLIEB: Director Mendelowitz?

MR. MENDELOWITZ: Yes.

MS. GOTTLIEB: Director Weicher?

DR. WEICHER: Aye.

MS. GOTTLIEB: Chairman Korsmo?

CHAIRMAN KORSMO: Aye.

John T. Wasley is appointed to serve as a member of the board of directors of the Federal Home Loan Bank of San Francisco.

The resolution that details the four nominations, including listing the terms--as I mentioned, a couple of these are unexpired terms where people have resigned--is contained in the board book. I think it would be appropriate now in the wake of us approving the four nominations to have a motion approving the resolution. Is there such a motion?

MR. O'NEILL: So moved.

CHAIRMAN KORSMO: Director O'Neill moves we adopt the resolution appointing the four directors to the Federal Home Loan Banks of Boston, Atlanta, Cincinnati, and San Francisco. Is there any discussion of the motion? Any discussion of the motion?

Hearing none, the secretary will please call the roll on the motion to appoint the four directors.

MS. GOTTLIEB: On the matter approving the resolution appointing four directors to the Federal Home Loan Banks of Boston, Atlanta, Cincinnati and San Francisco, Director Leichter, how do you vote?

MR. LEICHTER: Yes.

MS. GOTTLIEB: Director O'Neill?

MR. O'NEILL: Aye.

MS. GOTTLIEB: Director Mendelowitz?

MR. MENDELOWITZ: Yes.

MS. GOTTLIEB: Director Weicher?

DR. WEICHER: Yes.

MS. GOTTLIEB: Chairman Korsmo?

CHAIRMAN KORSMO: Yes.

The motion is carried and the resolution is adopted.

Before I ask if there are any other discussion items any member of the board wants to bring before the committee and then we adjourn and move to our briefing that's scheduled immediately following the session, let me just add a word about my good friend and I know Dr. Weicher's good friend, Rob Woodson, whom so unfortunately we're having to replace today.

I think it was a real loss, not just to the system but to his community and certainly to the nation, his untimely death, and I wanted to make sure that we make note of that in the minutes of this session. We're very pleased to have an opportunity to replace him with a very qualified candidate but I think it is a great tragedy that I want to particularly notice, that we never had the opportunity to avail ourselves of the services of a very talented young man, Rob Woodson.

Dr. Weicher?

DR. WEICHER: Mr. Chairman, if I may follow up on that briefly, I worked with Rob closely for a year and a half at HUD and I've known him--his father and I were colleagues

at the American Enterprise Institute 20 years ago and I've known Rob to some extent for half his life and I can tell you that it is a loss to the system and to all of us as we do our jobs, as well as a huge personal tragedy to Rob and his family.

CHAIRMAN KORSMO: Thank you, Dr. Weicher.

Are there any other announcements or any other comments any director has before we adjourn our formal meeting and move to our briefing?

Seeing none, the meeting is adjourned.

[Whereupon, at 10:25 a.m., the meeting was adjourned.]

- - -