



Order No.: **2001-MD-01**
Date: **January 18, 2001**

MANAGING DIRECTOR
FEDERAL HOUSING FINANCE BOARD

Extension of the Deadline to File Requests to Intervene and
Permission to All Parties to File Requests to Intervene

I. BACKGROUND

A. On December 11, 1999, the Federal Home Loan Bank (Bank) of Dallas filed an application for Federal Housing Finance Board (Finance Board) approval of an application for membership in the Dallas Bank by Washington Mutual Bank, FA (WMBFA), which is currently a member of the San Francisco Bank, upon completion of the merger of Bank United (a Dallas Bank member) into WMBFA, under section 4(b) of the Federal Home Loan Bank Act (Bank Act) and section 925.18(a)(2) of the Finance Board membership regulations.

B. Pursuant to the Finance Board Procedures for Case-by-Case Determinations (12 C.F.R. § 907.8 *et seq.*) (Procedures), on December 13, 1999, the Finance Board notified the Dallas Bank that the Finance Board was treating the Dallas Bank's application as a Petition for Case-by-Case Determination (Petition) and that it had received the Petition.

C. On December 27, 1999, pursuant to the Procedures, the Finance Board published a notice of receipt of the Petition in the *Federal Register*.

D. By letter dated January 9, 2001, the Council of Federal Home Loan Banks (Council) requested a 45-day extension of the deadline to file a Request to Intervene in the Petition. The Council cites as its cause the fact that the Petition raises significant complex issues and that ample time is needed to fully consider the ramifications of the broader issues raised. The Council goes on to say that the timing of the publication of the *Federal Register* notice in late December made it difficult for the boards of directors of the Banks to meet and discuss the matters, and that there was not sufficient time to receive and review input from the members of the Banks.

E. Other persons not otherwise listed as Parties eligible to file a Request to Intervene (*see* 12 C.F.R. § 907.8(b)), including other government agencies, have inquired whether they could be granted permission to file Requests to Intervene.

F. Pursuant to the Procedures, the deadline to file Requests to Intervene will expire on January 25, 2001.

II. FACTORS CONSIDERED

A. The Petition raises numerous fundamental legal, political and policy issues of first impression that are critical to the structure and function of the Bank System, such as the continued consolidation of the financial institution industry, the effect of that consolidation on the economic, regional structure and cooperative nature of the Bank System, and the impact of all of those changes on the Banks as they implement a new capital structure.

B. The Petition has the potential to affect the rights of all of the Banks and all members, and the Finance Board is interested in having as many views represented as possible as it considers these issues.

III. EXTENSION OF DEADLINE TO FILE REQUEST TO INTERVENE AND PERMISSION TO ALL PARTIES TO FILE REQUESTS TO INTERVENE

A. Upon review of the request for extension of time to file a Request to Intervene and consideration of the above-noted factors, it is hereby determined that good cause has been shown to grant the request.

B. Therefore, the requirement in 12 C.F.R. § 907.11(a)(1), that any Request to Intervene in consideration of a Petition shall be filed within 45 days from the date the Petition is filed, is hereby waived, and the deadline to file Requests to Intervene with respect to the Dallas Bank Petition is extended for an additional 30 days.

C. Further, upon review of the request of persons not listed in 12 C.F.R. § 907.8(b) as eligible to file Requests to Intervene and consideration of the above-noted factors, it is hereby determined that it would be in the best interests of the agency to allow all interested persons to file Requests to Intervene, and that good cause has been shown to grant the request.

D. Therefore, the requirement in 12 C.F.R. § 907.8(b) that a member, a Bank or the Office of Finance may file a Request to Intervene, is hereby waived, and all interested persons shall be allowed to file Requests to Intervene, subject to the deadline noted above and all of the other requirements of the Finance Board's Procedures.

E. Finance Board staff is directed promptly to publish in the *Federal Register* a Notice of these actions.

/s/ James L. Bothwell

Date: January 18, 2001

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cc: Allan I. Mendelowitz
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