



ADVISORY BULLETIN 2003-AB-01

January 3, 2003

Federal Housing Finance Board Office of Supervision

To: Federal Home Loan Bank Presidents, Chief Financial Officers, Controllers, and Directors of Internal Audit

From: Stephen M. Cross
Director
Office of Supervision

Subject: Acceleration of Filing Dates for Combined Financial Reports and Call Reports

Background:

Section 985.6(b)(4) of the Federal Housing Finance Board (Finance Board) regulations (12 C.F.R. § 985.6(b)(4)) requires the combined Federal Home Loan Bank System (Bank System) annual report prepared by the Office of Finance to be filed with the Finance Board and distributed to each Federal Home Loan Bank (Bank) and Bank member within 90 days after the end of the Bank System's fiscal year. Further, it requires the combined Bank System quarterly reports to be filed with the Finance Board and distributed to each Bank and Bank member within 45 days after the end of the Bank System's first three fiscal quarters of each year.

The combined Bank System quarterly and annual reports are prepared by the Office of Finance and are based on the financial statements as reported to the Finance Board and the Office of Finance by each Bank in its monthly and year-end call reports. The Banks should expect those call reports will continue to be filed in a manner that complies with section 989.3 of the Finance Board regulations (12 C.F.R. § 989.3). The regulation requires each Bank to provide all financial and other information to the Office of Finance in a form and within time frames as specified by the Finance Board or the Office of Finance.

The Finance Board generally requires that the Banks and the Office of Finance follow the Securities and Exchange Commission (SEC) rules in preparing and filing financial statements and will continue to do so. The purpose of this Advisory Bulletin is to alert you to the fact that the SEC has recently promulgated a number of rules in response to recent accounting and reporting difficulties, and that the Finance Board in the future expects to modify its regulations to reflect those SEC rules.

Specifically, on September 5, 2002, the SEC promulgated a final rule¹ accelerating periodic report filing dates for certain registrants.² The SEC rule states that the annual report deadline will remain 90 days for year one and accelerate from 90 days to 75 days for year two and from 75 days to 60 days for year three and thereafter. It also states that the quarterly report deadline will remain 45 days for year one and accelerate from 45 days to 40 days for year two and from 40 days to 35 days for year three and thereafter.

Guidance:

Accelerating the availability of financial information is one facet of an enhanced disclosure regime endorsed by the Finance Board. Consistent with the acceleration of the SEC deadlines, at some point in the future the Finance Board will move forward the due date for the Call Reports. Each Bank should take appropriate steps to ensure sufficient staffing and systems are in place to provide for the accelerated reporting requirements.

An Advisory Bulletin is a staff document through which the Office of Supervision provides guidance to the Federal Home Loan Banks and the Office of Finance regarding particular supervisory issues. Although an Advisory Bulletin does not have the force of a regulation or an order, it does reflect the position of the Office of Supervision on the particular issue and as such will be followed by examination staff. If non-compliance with an Advisory Bulletin is cited as the basis for a supervisory determination, any such determination will be subject to review by the Board of Directors pursuant to the procedures of 12 C.F.R. § 907.9. Advisory Bulletins are effective upon issuance.

¹ 17 CFR parts 210, 229, 240, and 249 [Release Nos. 33-8128; 34-46464; FR-63; File No. S7-08-02] RIN 3234-AI33.

² Those companies required to make accelerated periodic report filings are domestic reporting companies that have a public float of at least \$75 million, have been subject to the Exchange Act's reporting requirements for at least 12 calendar months, and previously have filed at least one annual report.