

DECISION MEMORANDUM OF THE BOARD OF DIRECTORS ACTING
WITHOUT A QUORUM

Date: February 24, 1994
No. 94-DM-02

ISSUE:

The Board of Directors of the Federal Home Loan Bank of San Francisco has requested the Federal Housing Finance Board to approve the 1994 District Priority for the Affordable Housing Program.

FACTORS CONSIDERED:

Subsection 10(j) of the Federal Home Loan Bank Act (12 U.S.C. § 1430(j))("Bank Act") requires that each Federal Home Loan Bank ("Bank") establish an Affordable Housing Program ("AHP").

The Federal Housing Finance Board ("Finance Board") has adopted regulations for the operation of the AHP by the Bank, codified at 12 C.F.R. Part 960, that include at 12 C.F.R. § 960.5(b)(7) a Bank AHP priority recommended by the Bank's Advisory Council, adopted by the Bank's Board of Directors and approved by the Finance Board.

On February 18, 1994, the board of directors of the Federal Home Loan Bank of San Francisco ("San Francisco Bank") approved a 1994 AHP priority recommended by its Advisory Council.

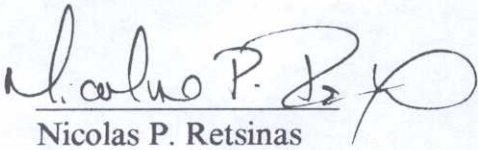
The San Francisco Bank has submitted a request to the Finance Board for approval of the 1994 AHP priority recommended by its Advisory Council and adopted by the San Francisco Bank's Board of Directors.

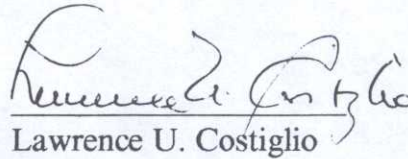
The Finance Board staff recommends approval of the San Francisco Bank's 1994 AHP priority.

The Finance Board reviewed the proposed priority in accordance with the Bank Act, the AHP regulations and existing policy.

DECISION:

Based on the factors set forth above and the authority provided in 12 C.F.R. § 960.5(b)(7), the San Francisco Bank's 1994 AHP priority for "projects that provide housing in areas officially designated as affected by the January 17, 1994, Southern California earthquake" or "projects that demonstrate shareholder participation in the form of: 1) financing of the project, 2) a concessionary rate or spread to the project, and/or 3) any other type of assistance offered to the project, e.g., involvement of shareholder personnel, waiver of fees, technical assistance, special services" as provided by a resolution adopted at a meeting of the Board of Directors of the Federal Home Loan Bank of San Francisco on February 18, 1994, and attached to the decision memorandum as Attachment A, is approved.


Nicolas P. Retsinas


Lawrence U. Costiglio

FEDERAL HOME LOAN BANK OF SAN FRANCISCO

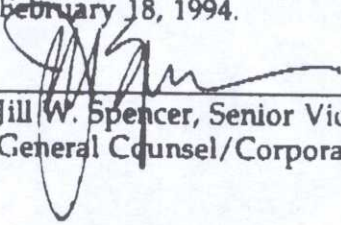
RESOLUTION

WHEREAS, for 1994, the Bank's Affordable Housing Advisory Council and Board of Directors have selected a new District priority for the Eleventh District; therefore be it

RESOLVED, that the new District priority may be met in one of two ways:

- A) by projects that provide housing in areas officially designated as affected by the January 17, 1994, Southern California earthquake; or
- B) by projects that demonstrate shareholder participation in the form of: 1) financing of the project, 2) a concessionary rate or spread to the project; and/or 3) any other type of assistance offered to the project, e.g., involvement of shareholder personnel, waiver of fees, technical assistance, special services. To obtain the maximum score on this criterion, please list any and all types of participation that apply to your application.

I certify that this is a true and correct copy of a resolution adopted by the Board of Directors of the Federal Home Loan Bank of San Francisco at its meeting on February 18, 1994.



Jill W. Spencer, Senior Vice President and
General Counsel/Corporate Secretary