

DECISION MEMORANDUM OF THE FINANCE BOARD

ACTING WITHOUT A QUORUM

Date: May 17, 1994

No. 94- DM-16

ISSUE:

Approval to allow the Federal Home Loan Banks ("FHLBanks") the discretion to compensate board members for attendance at FHLBank regional stockholders' meetings in lieu of annual stockholders' meetings.

FACTORS CONSIDERED:

The Federal Housing Finance Board ("Finance Board"), in Resolution #93-12, adopted a FHLBank System Directors Fees' and Allowances Policy ("Policy").

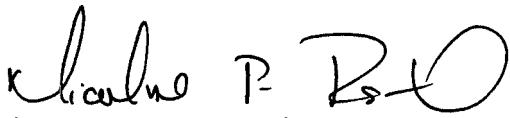
The Policy permits (1) a fee to be paid to appointed and elected Directors for each day in attendance at the FHLBank's annual stockholders' meeting, (2) reimbursement of expenses incurred by appointed and elected Directors attending the FHLBank's stockholders' meeting and (3) the Chairman to receive a maximum permissible fee of \$1,200, when presiding over the annual stockholders' meeting.

The Finance Board delegated in the Policy the authority to resolve any question of interpretation of the Policy to the Director of the District Banks Directorate ("DBD"). In the absence of a DBD Director, it is appropriate for the Finance Board to resolve the question as to whether the Policy can be interpreted to permit the FHLBanks to compensate directors who attend any or all regional meetings of their FHLBank. Currently, three (possibly four) of the twelve FHLBanks will conduct regional meetings in lieu of an annual stockholders' meeting during 1994.

The Finance Board has determined that it is appropriate to interpret the Policy to permit the FHLBanks the discretion to compensate board members for attendance at FHLBank regional stockholders' meetings.

DECISION:

To interpret the Policy to allow the FHLBanks the discretion to compensate board members for attendance at FHLBank regional stockholders' meetings as long as it is consistent with the provisions of the Policy regarding compensation in connection with FHLBank annual stockholders' meetings.

  
Nicolas P. Retsinas

  
Lawrence U. Costiglio