

DECISION MEMORANDUM OF THE FINANCE BOARD

ACTING WITHOUT A QUORUM

Date: June 15, 1994

No. 94- DM-20

ISSUE:

Approval of the designation of Federal Home Loan Bank directorships for the 1994 election.

FACTORS CONSIDERED:

Section 7 of the Federal Home Loan Bank Act ("A&"), as amended (12 U.S.C. § 1427(b)), provides that the Federal Housing Finance Board ("Finance Board") shall designate annually the number of elective directorships on the boards of directors of the Federal Home Loan Banks ("FHLBanks") to represent the member institutions located in each state.

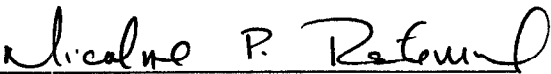
Subsection 7(c) of the Act also provides that the number of directorships designated shall be determined in the approximate ratio of the percentage of the bank stock required to be held by the member institutions within each state at the end of 1993 to the total required stock of all members within the district at the end of 1993, except that the number of directors for each state within the district shall not be less than one or more than six.

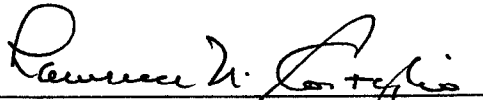
Subsection 7(c) further provides that, if the number of directorships designated is not at least equal to the number of directors that represented each state on December 31, 1960, the Finance Board shall add to the representation of each state a number of additional elective directorships to ensure such representation.

The Finance Board, acting without a quorum, has the authority to approve the designation of FHLBank directorships for the 1994 election based on the exercise of professional judgment pursuant to the requirements of the Act. The Finance Board also may make discretionary additions or subtractions based on the Agency policy and practice of equitable distribution of director seats for those districts with five or more states.

DECISION:

For purposes of the 1994 election of FHLBank directors, the Finance Board designates for each state in each Federal Home Loan Bank district the number of directorships as shown in Exhibits A through L.


Nicolas P. Retsinas


Lawrence U. Costiglio