

No. : 91-28  
Date: January 22, 1991

FEDERAL HOUSING FINANCE BOARD

Approval of 1991 Operating and Capital Expenditure Budgets -  
Federal Home Loan Bank of Indianapolis

WHEREAS, the Federal Home Loan Bank Act, 12 U.S.C.A. §§ 1421-1447 (West 1989 & Supp. 1990), as amended by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (August 9, 1989), established the Federal Housing Finance Board ("Finance Board") to supervise the Federal Home Loan Banks ("FHLBanks"), and to ensure that the FHLBanks carry out their housing finance mission and operate in a safe and sound manner; and

WHEREAS, to fulfill these responsibilities, the Finance Board has reviewed the 1991 operating and capital expenditure budgets of the FHLBanks within the context of establishing and maintaining a financial plan for the entire FHLBank System; and

WHEREAS, to ensure consistency among the goals and strategies of each FHLBank and the goals and strategies of the FHLBank System, the Finance Board has established certain financial objectives, operating controls and reporting requirements as a part of the 1991 budget process.

NOW THEREFORE, pursuant to the Finance Board's authority to approve the budgets of the FHLBanks under 12 C.F.R. § 934.6 (1990),

RESOLVED, that the Federal Home Loan Bank of Indianapolis' ("Indianapolis") operating and capital expenditure budgets are hereby approved in the amount of \$13,720,143 for operating expenses and \$293,401 for capital expenditures subject to the following terms and conditions:

1. That Indianapolis shall achieve actual gross income at least equal to 1990 levels, or reduce overall operating expenses sufficient to offset the actual decline in gross income between 1990 and 1991 in the Member Correspondent Services functional area.
2. That Indianapolis shall dedicate at least two full time professional staff members to the Housing Finance Services functional area.

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3. That Indianapolis shall use all reasonable means to extend at least \$20.0 million in new Community Investment Program advances for 1991 in the Housing Finance Services functional area.
4. That Indianapolis shall provide the Finance Board by no later than June 30, 1991, a report on the FHLBank's business exposure from the concentration of advances to a small number of institutions and a plan for potential diversification of their advances portfolio.
5. That Indianapolis shall provide the Finance Board a quarterly status report on the sub-leasing of excess space in the FHLBank's building.
6. That, no later than 30 days after the end of each quarter, the board of directors of Indianapolis shall provide the Finance Board with a written report on the FHLBank's progress toward meeting the conditions of approval set forth above.

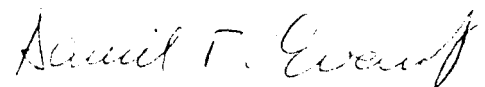
FURTHER RESOLVED, that the Federal Home Loan Bank of Indianapolis shall:

1. Adhere to the operating budget submitted to and approved by the Finance Board. The allocation by functional area of - budgeted amounts shall be in accordance with the operating budget.
- 2 Adhere to the capital budget submitted to and approved by the Finance Board. Capital expenditures shall be disbursed in accordance with the specific purposes identified in the capital budget.
- 3 Limit capital expenditures in the member correspondent services functional area to no more than \$10,000 in the aggregate.
- 4 Obtain prior Finance Board approval for any Congressional outreach activity outside its respective FHLBank district, and submit to the Finance Board existing and proposed contracts with all Washington area professionals (lawyers/lobbyists/consultants).

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5. Obtain Finance Board approval, annually, prior to implementation of any incentive compensation plan.

By the Federal Housing Finance Board



Daniel F. Evans, Jr., Chairman