

Date: October 24, 1991

FEDERAL HOUSING FINANCE BOARD

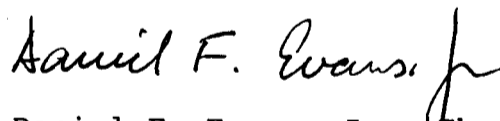
Conditional Approval of 1991 Compensation Plans of Federal Home Loan Banks of Atlanta, Boston, Cincinnati, Des Moines, Indianapolis, New York, Pittsburgh, San Francisco, Seattle and Topeka

WHEREAS, Federal Home Loan Bank Act (Bank Act) section 12(a) (12 U.S.C. 1432(a)) empowers each Federal Home Loan Bank (FHLBank to fix the compensation of its officers or employees but expressly makes such power subject to the approval of the Federal Housing Finance Board (Finance Board), and the Finance Board implements this authority by approving the compensation of the presidents of the FHLBanks by annual resolution; and the FHLBanks of Atlanta, Boston, Cincinnati, Des Moines, Indianapolis, New York, Pittsburgh, San Francisco, Seattle and Topeka have submitted Incentive plans for Finance Board approval as a part of 1991 compensation for their Presidents, to recognize performance for the year 1991, and

WHEREAS, the Finance Board finds the prudent use of incentive compensation benefits the FHLBank system by retaining and motivating the FHLBank Presidents to promote profitability through achievement of key goals and objectives, and further finds that adopting incentive plans for 1991 is not inconsistent or contrary to the safety and soundness of the FHLBank System; but the Finance Board also desires that the approval of the 1991 incentive compensation plans take into consideration FHLBank System profitability.

NOW, THEREFORE, BE IT RESOLVED, that the incentive plans submitted by the aforesaid FHLBanks are hereby approved for the year 1991, PROVIDED, HOWEVER, that payments of any individual incentive award to any FHLBank president for the year 1991 shall be subject to a reduction, and such reduction shall be an amount not less than 20%, nor greater than 30%. This decision is considered reasonable and prudent given that actual Bank System advances in 1991 is anticipated to be a comparable reduction of the projected level. Each FHLBank shall submit their recommended incentive payment to the Director, District Bank Directorate at the Finance Board who shall ensure that such payments conform to the aforesaid guidelines. Notwithstanding any other agreement or plan, no FHLBank may pay a 1991 award contrary to the guidelines presented herein without expressed approval of the Finance Board.

By the Federal Housing Finance Board



Daniel F. Evans, Jr., Chairman