

No.: 91-580
Date: November 20, 1991

FEDERAL HOUSING FINANCE BOARD

Approval of 1992 Operating and Capital Expenditure Budgets
Federal Home Loan Bank of Seattle

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 in a safe and sound manner; and

WHEREAS, to fulfill these responsibilities, the Finance Board has reviewed the 1992 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 that the FHLBanks efficiently achieve their housing finance mission, the Finance Board has established the following key objectives for the System for 1992:

1. Enhance the availability of low cost mortgage credit;
2. Achieve a level of net income that limits the burden of Resolution Funding Corporation ("REFCORP") payments and provides a dividend sufficient to attract and retain members committed to housing finance;
3. Reduce the cost of providing housing finance by improving the efficiency of Bank System operations;
4. Support affordable housing by increasing the participation and amount in the Community Investment Program and enhancing the ability of the System's members to meet community credit needs; and

WHEREAS, to evaluate individual FHLBank budgets and financial performance in accordance with these key objectives, the Finance Board has established certain operating targets for 1992.

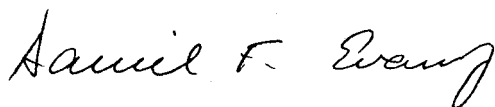
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(Continued)

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 1992 operating and capital expenditure budgets of the Federal Home Loan Bank of Seattle ("Bank") are hereby approved in the amount of \$9,377,000 for operating expenses and \$112,000 for capital expenditures subject to the following terms and conditions:

1. That, no later than 30 days after the end of each quarter, the Bank shall provide the Finance Board with a written report and financial statements regarding the Bank's actual to budget performance for such quarter including analysis of the Bank's performance relative to the established 1992 operating targets.
2. That the Bank shall adhere to the operating budget submitted to and approved by the Finance Board. With District Bank board of directors approval, the Bank may reallocate funds across functional areas or across line items within functional areas, as defined by the Finance Board, up to a maximum of 10 percent of a functional area or line item approved budget, so long as the Bank's approved total budget is not exceeded.
3. That, any capital expenditure above \$100,000 for data processing equipment shall require prior review and approval from the FHLBank System Operating Efficiency Task Force.
4. That, the Bank may reallocate funds within the capital budget up to a maximum of 10 percent of the total capital budget so long as the total approved capital budget is not exceeded.

By the Federal Housing Finance Board



Daniel F. Evans, Jr., Chairman