

FEDERAL HOUSING FINANCE BOARD

Approval of 1994 Operating and Capital Expenditures Budgets
Federal Home Loan Bank of San Francisco

WHEREAS, the Federal Home Loan Bank Act, as amended, established the Federal Housing Finance Board ("Finance Board") to supervise the Federal Home Loan Banks ("FHLBanks") and to ensure that they carry out their housing finance mission in a safe and sound manner;

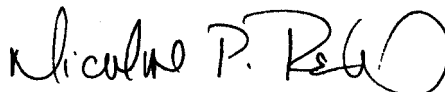
WHEREAS, to fulfill these responsibilities, pursuant to 12 C.F.R. Section 934.6, the Finance Board has reviewed the 1994 operating and capital expenditures budgets of the FHLBanks within the context of the strategic framework of System 2000; and

WHEREAS, to evaluate FHLBank budgets and financial performance in accordance with key goals of System 2000, the Finance Board has established certain operating measures for 1994.

NOW THEREFORE, BE IT RESOLVED, that, upon review by the Finance Board, the 1994 operating and capital expenditures budgets of the Federal Home Loan Bank of San Francisco ("Bank") are hereby approved in the amount of \$28,246,000 for operating expenses, including \$450,000 for the imputed interest cost of compensating balances, and \$4,437,000 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 year-to-date performance including analysis of the Bank's performance relative to the established 1994 performance measures. Additionally, the report shall contain a progress report on the Bank's implementation of its Data Processing Plan including an analysis of actual versus projected data processing expenses as approved by the System Efficiencies Task Force.
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 exceed functional area or line item budget amounts, as defined by the Finance Board, so long as the Bank's approved total budget is not exceeded.
3. That, the Bank may reallocate funds within the capital expenditures budget with district Bank board of directors approval so long as the total approved capital expenditures budget is not exceeded.

By the Federal Housing Finance Board



Nicolas P. Retsinas