

No.: 93-63  
Date: July 28, 1993

FEDERAL HOUSING FINANCE BOARD

Interim Policy Guidelines to Govern the FHLBanks'  
Letter of Credit Operations

WHEREAS, Sections 10 and 10b of the Federal Home Loan Bank Act provide the Federal Home Loan Banks (FHLBanks) with authority to make advances to members and eligible nonmember mortgagees; and

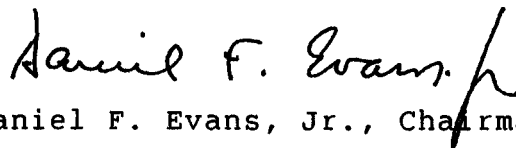
WHEREAS, the Federal Housing Finance Board (Finance Board) seeks to clarify that the authority of the FHLBanks to issue standby letters of credit is derived from their -authority to make advances; and

WHEREAS, the Finance Board has determined that the FHLBanks should be permitted to issue standby letters of credit on behalf of eligible nonmember mortgagees;

NOW,, THEREFORE, BE IT RESOLVED, that the Finance Board hereby adopts the attached Interim Policy Guidelines for FHLBank Standby Letters of Credit which subject letters of credit to the same requirements and conditions as advances and permits the issuance of letters of credit on behalf of eligible nonmember mortgagees.

FURTHER RESOLVED, that Resolution No. 92-533.2, dated July 17, 1992, concerning Policy Guidelines for FHLBank Standby Letters of Credit, is hereby rescinded.

By the Federal Housing Finance Board



Daniel F. Evans, Jr., Chairman