

No.: 97-15

Date: February 7, 1997

FEDERAL HOUSING FINANCE BOARD

Temporary Stay of Supervisory Determination

WHEREAS, under section 20 of the Federal Home Loan Bank Act, as amended, codified at 12 U.S.C. § 1440, the Federal Housing Finance Board (Finance Board) must require examinations and reports of condition of each of the Federal Home Loan Banks (FHLBank) at least annually;

WHEREAS, under 12 U.S.C.A. § 1440, Finance Board examiners have the same powers and privileges as are vested in bank examiners under the National Bank Act and the Federal Reserve Act, which includes the power to make a "thorough examination of all of the affairs of [a FHLBank and its affiliates] and to administer oaths and to examine any of the officers and agents thereof under oath..." (12 U.S.C. § 481);

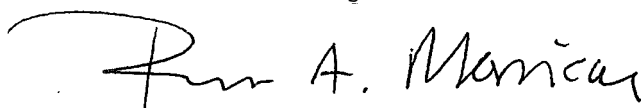
WHEREAS, the Office of Supervision of the Finance Board conducts periodic examinations of the FHLBank pursuant to Finance Board regulations, 12 C.F.R. § 900.14, and during the course of an examination a Finance Board examiner may make findings regarding safety and soundness, compliance, or program issues, and may issue findings and determinations requiring mandatory action concerning such unsafe and unsound practice or condition, weakness, or violation in a report of examination issued pursuant to 12 U.S.C. § 1440;

WHEREAS, from time to time a FHLBank may disagree with or object to such findings or determinations, and the Finance Board determined that it was in the best interest of the Finance Board and the FHLBanks to provide for a process for the prompt review and resolution of such disputes;

WHEREAS, effective July 29, 1996 through October 31, 1996, the Finance Board adopted Procedures for the Review of Disputed Supervisory Determinations (Procedures) in accordance with 12 U.S.C. § 1422b(a)(1) and 12 C.F.R. § 900.50, by Finance Board Resolution No. 96-60, dated July 29, 1996, 1996, as the mandatory and exclusive administrative remedy available under the Federal Home Loan Bank Act to the FHLBanks to address their objections to disputed supervisory determinations as defined in the Procedures;

WHEREAS the effective date of the Procedures was extended to December 31, 1996 by Finance Board Resolution No. 96-74, dated October 24, 1996, and revised Procedures were adopted in final form by Finance Board Resolution No. 96-96, dated December 18, 1996;

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, reading "Bruce A. Morrison". The signature is written in a cursive style with a large, sweeping initial "B".

Bruce A. Morrison
Chairman