

No.: 97-72

Date: November 20, 1997

FEDERAL HOUSING FINANCE BOARD

Stay of Supervisory Determination

WHEREAS, under section 20 of the Federal Home Loan Bank Act, (Bank Act), 12 U.S.C.A. 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;

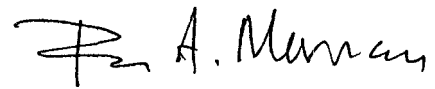
WHEREAS, under the Bank Act, Finance Board examiners have the same powers and privileges as are vested in bank examiners under the National Bank Act and the Federal Reserve Act, which includes the power to make a "thorough examination of all of the affairs of [a FHLBank and its affiliates] and . . . 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 FHLBanks and may issue findings and determinations concerning unsafe and unsound practices or condition, weaknesses or violations, in a report of examination issued at the end of an examination;

WHEREAS, from time to time a FHLBank may disagree with or object to such findings and determinations;

WHEREAS, the board of directors of the Finance Board has adopted Procedures for the Review of Disputed Supervisory Determination (Procedures) by Resolution No. 96-96 (December 18, 1996), as the mandatory and exclusive administrative remedy available under the Bank Act to the FHLBanks to address their objections to disputed supervisory determinations as defined in the procedures:

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "B. A. Morrison". The signature is written in a cursive style with a large, stylized initial "B".

Bruce A. Morrison
Chairman