

DECISION MEMORANDUM OF THE FEDERAL HOUSING FINANCE BOARD
ACTING WITHOUT A QUORUM

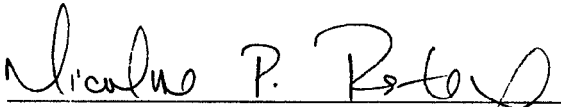
Date: March 13, 1995
No.: 95-DM-15

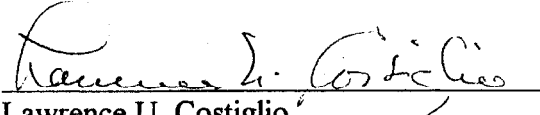
ISSUE: Approval of an amendment to the Federal Home Loan Bank of San Francisco's (Bank) capital expenditures budget as requested by the Bank's board of directors.

FACTORS CONSIDERED:

- o Pursuant to section 934.6 of the Federal Housing Finance Board regulations, the Bank's board of directors has requested to increase the Bank's 1995 capital expenditures budget.
- o The Bank has requested to increase its 1995 capital expenditures budget by \$1.85 million; \$1 million to cover costs associated with leasehold improvements and \$847,000 for the purchase of a collateral system.
- o The leasehold improvements were initially approved as part of the Bank's 1994 capital expenditures budget but were postponed until 1995 by the Bank. Because the Bank undertook some additional, unbudgeted leasehold improvements, actual 1994 leasehold improvements were only \$427,000 below budget.
- o While not anticipated in the original 1995 budget, the purchase of the collateral system is expected to improve customer service and increase flexibility and pricing reliability. Additionally, the system is expected to reduce operating expenses by nearly \$145,000 over five years and move the Bank closer to having all automated systems in-house.

DECISION: To approve the Bank's request to increase its 1994 capital expenditures budget by \$1.85 million from \$4.13 million to \$5.98 million as set forth on the attached Table 1.


Nicolas P. Retsinas


Lawrence U. Costiglio

Attachment

Table 1

Federal Home Loan Bank of San Francisco
 Amendment to 1995 Capital Expenditures Budget
 (\$Thousands)

	A	B	C	D
	1995 Approved Budget	Amendment	1995 Revised Budget	Percent Increase C to A
1. Total Capital Expenditures Budget	\$4,128	\$1,847	\$5,975	45%
a. Furniture and Equipment	2,128	847	2,975	40%
b. Automobiles	0	0	0	N/A
c. Land & Building Related Expenses	2,000	1,000	3,000	50%