

DECISION MEMORANDUM OF THE BOARD OF DIRECTORS ACTING
WITHOUT A QUORUM

Date: May 4, 1995
No. 95-DM-30

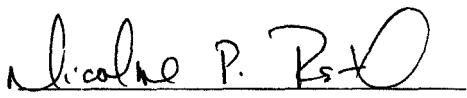
ISSUE: On April 7, 1995, the FHLBank of Atlanta requested that it not be required to provide supporting financial documentation of compliance with the Private Sector Adjustment Factor for item processing operations in 1994. These were sold effective September 30, 1994.

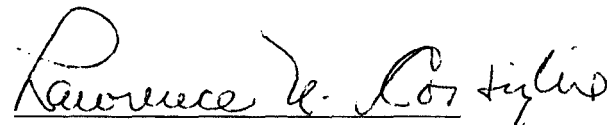
FACTORS CONSIDERED:

- 1 12 CFR Section 943.6 of the General Regulations of the Federal Housing Finance Board requires that the Federal Home Loan Banks price their item processing services at levels sufficient to generate a competitive rate of return after all costs of providing these services are recovered. Section 943.6(c) requires that the Director of the District Banks Directorate or his/her designee shall on behalf of the Board: (i) review the cost of capital adjustment factor and (ii) review and approve prices for services authorized in this part.
- 1 On March 13, 1995, the Regulatory Oversight Division asked those FHLBanks which had provided item processing services in 1994 to provide actual income statement and balance sheet data for NOW/DDA services (see attached schedules) for the period in order to determine compliance with Section 943.6.
- 1 The FHLBank of Atlanta sold its item processing operations on September 30, 1994. On April 7, 1995, the FHLBank requested that it not be required to provide compliance data for services that it no longer provides.
- 1 During last year's annual review, Regulatory Oversight Division staff determined that Atlanta's actual 1993 and projected 1994 item processing operating results were each in compliance with the PSAF requirement.

DECISION:

The FHLBank of Atlanta is not required to provide financial data for item processing services to determine compliance with 12 CFR Section 943.6 during 1994, the year in which it ceased to perform such services.


Nicolas P. Retsinas


Lawrence U. Costiglio