

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

Date: May 9, 1995  
No. DM-95-31

ISSUE: Approval of the contract with Price Waterhouse LLP for the audit of the financial statements of the 12 FHLBanks, Office of Finance (OF), the Financing Corporation (FICO) and the combined financial statements of the FHLBanks for the year ending December 31, 1995 as submitted by the FHLBank Presidents' Conference on April 18, 1995.

FACTORS CONSIDERED: In Decision Memorandum No. 95-DM-09 the Board of Directors of the Federal Housing Finance Board (Finance Board) approved transfer of responsibility for the execution and administration of the FHLBank System's external audit contract from the Finance Board to the FHLBanks, subject to certain terms and conditions, to be effective with the contract for the year ending December 31, 1995.

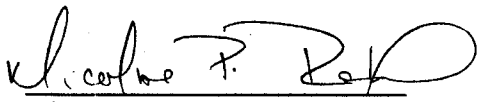
A condition of the transfer was that the contract be approved by the Finance Board prior to the final award of the contract by the FHLBanks.

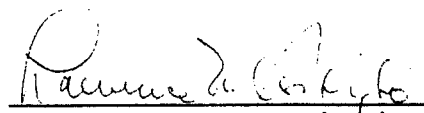
The FHLBank Presidents' Conference has submitted their proposed contract in the form of an engagement letter with Price Waterhouse LLP for the 1995 external audits of the 12 FHLBanks, OF, FICO and the combined financial statements of the FHLBanks (Price Waterhouse engagement letter) for Housing Finance Board approval in accordance with Decision Memorandum No. 95-DM-09.

The audit committee or board of directors of each FHLBank has approved Price Waterhouse as the external auditor for 1995.

The Price Waterhouse engagement letter is in conformance with all conditions set forth in Decision Memorandum No. 95-DM-09.

DECISION: The Finance Board approves the engagement letter with Price Waterhouse LLP for the 1995 external audits of the 12 FHLBanks, OF, FICO and the combined financial statements of the FHLBanks as submitted by the FHLBank Presidents' Conference on April 18, 1995.

  
Nicolas P. Retsinas

  
Lawrence U. Costiglio