No.:   **1999-18**
Date: **March 15, 1999**

FEDERAL HOUSING FINANCE BOARD

Waiver of Section 937.3 to Allow Supplemental Disclosure in the
1998 Annual Report of the Federal Home Loan Bank of Chicago

WHEREAS, section 937.3 of the Federal Housing Finance Board (Finance Board) regulations, 12 C.F.R. § 937.3, requires that any financial statement contained in an annual or quarterly report issued by an individual Federal Home Loan Bank (Bank) be consistent in both form and content with the financial statements presented in the combined Bank System annual or quarterly financial reports prepared and issued by the Finance Board;

WHEREAS, on February 19, 1999, the Federal Home Loan Bank of Chicago (Chicago Bank) requested a waiver to continue its practice of adding line items to the Chicago Bank's Statement of Income to present REFCorp payments as a reduction of net income, and such items are not consistent with the income statements prepared for the Bank System;

WHEREAS, under section 902.6 of the Finance Board regulations, 12 C.F.R. § 902.6, any party may request a waiver of a provision, restriction or requirement of the Finance Board regulations not otherwise required by law if such waiver is not inconsistent with the law, does not adversely affect any substantive existing rights and the Finance Board finds, *inter alia*, that application of the restriction would adversely affect achievement of the purposes of the Federal Home Loan Bank Act, or upon a showing of good cause; and

WHEREAS, Finance Board staff finds that inclusion of the supplemental information in the Chicago Bank's financial statements would not be misleading and would be consistent with Generally Accepted Accounting Principals;

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors of the Finance Board finds good cause to waive the provisions of 12 C.F.R. § 937.3, and hereby waives such restriction for the 1998 annual report of the Chicago Bank.

By the Board of Directors of the
Federal Housing Finance Board

/s/ Bruce A. Morrison
Bruce A. Morrison
Chairman