

No: **98-06**  
Date: February 18, 1998

FEDERAL HOUSING FINANCE BOARD

Waiver of Conflicts of Interest Provision for Certain FHLBank Employees

WHEREAS, section 902.6 of the Federal Housing Finance Boards (Finance Board) regulations, 12 C.F.R § 902.6, authorizes the Finance Board to waive, in connection with a particular transaction, any provision, restriction, or requirement of the Finance Boards regulations that is not required by law, if such waiver is not inconsistent with the law and does not adversely affect any substantial existing rights; and

WHEREAS, to prevent conflicts of interest, section 932.40(d) of the Finance Boards regulation concerning directors, officers, and employees of the Federal Home Loan Banks (FHLBanks), 12 C.F.R. § 932.40(d), prohibits a FHLBank employee from also being employed by a FHLBank member or an institution eligible to make application to become a member; and

WHEREAS, the FHLBanks of Topeka, Pittsburgh and Indianapolis have requested a waiver of section 932.40(d) for non-exempt hourly employees working in the FHLBanks' item processing operations; and

WHEREAS, on the basis of the nature of the work performed by these FHLBank employees, it is unlikely that any conflict of interest between the FHLBank and a FHLBank member or an institution eligible to make application to become a member would be created as a result of concurrent employment by a FHLBank and such institution; and

WHEREAS, many of these employees are part-time and may well seek similar part-time or full-time employment in the item processing operations of other financial institutions which are FHLBank members or are eligible to make application to become a member; and

WHEREAS, the conflicts of interest provision presents a hardship for the FHLBanks in hiring and retaining good employees and for the employees who may wish to work at other financial institutions if it is applied to non-exempt hourly employees working in the FHLBanks' item processing operations.

NOW, THEREFORE, BE IT RESOLVED, the Finance Board for good cause, hereby waives the restriction on an individual's employment by both a FHLBank and either a FHLBank member or an institution eligible to make application to become a member found in section 932.40(d) of the Finance Board's regulations, with respect to non-exempt hourly employees working in the item processing operations of the FHLBanks of Topeka, Pittsburgh and Indianapolis.

By the Board of Directors of the  
Federal Housing Finance Board

  
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Bruce A. Morrison, Chairman