

FEDERAL HOUSING FINANCE BOARD

Approval of the Office of Finance's Policy on Private Citizen Member Compensation

WHEREAS, section 941.7(f)(2) of the regulations of the Federal Housing Finance Board (Finance Board), 12 C.F.R. § 941.7(f)(2), requires that the Office of Finance (OF) pay compensation to the private citizen member of its board of directors in accordance with the requirements for payment of compensation to Federal Home Loan Bank directors set forth in section 932.27 of the regulations, id. § 932.27, as modified by paragraphs (i) through (iii) of section 941.7(f)(2), id. § 941.7(f)(2); and

WHEREAS, pursuant to the above-stated regulatory provisions, the board of directors of the OF is required to adopt annually by resolution a written policy to provide for the payment of compensation to its private citizen member that: addresses the activities or functions for which attendance is necessary and appropriate and may be compensated; explains the methodology employed for determining the amount of compensation to be paid; and ensures that the total compensation paid thereunder reflects time spent on official business and the level of responsibility assumed, yet does not exceed the stated regulatory limit on compensation (\$28,000 for 1997; \$28,476 for 1998); and

WHEREAS, on December 12, 1996, the board of directors of the OF adopted by resolution a policy providing for compensation of its private citizen member during 1997 and, on December 8, 1997, adopted by resolution an amendment to such policy to provide for compensation of its private citizen member during 1998; and

WHEREAS, paragraph (i) of section 941.7(f)(2) states that the OF's policy on the compensation of its private citizen member must be approved by the Board of Directors of the Finance Board, see 12 C.F.R. § 941.7(f)(2)(i), and, by memorandum dated February 2, 1998, the Managing Director of the OF has requested Finance Board approval of the policy, as adopted by the OF board of directors on December 12, 1996 and amended on December 8, 1997; and

WHEREAS, the Finance Board finds that the compensation policy, as adopted originally and as amended, fulfills the above-stated regulatory requirements;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Finance Board hereby approves the OF's policy on the compensation of its private citizen member, as adopted by the OF board of directors on December 12, 1996 and amended thereby on December 8, 1997.

By the Board of Directors of the
Federal Housing Finance Board



Bruce A. Morrison, Chairman