



NEWS

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FEDERAL HOUSING FINANCE BOARD SIGNS WRITTEN AGREEMENT WITH FEDERAL HOME LOAN BANK OF SEATTLE

The Federal Housing Finance Board today entered into a written agreement with the board of directors of the Federal Home Loan Bank of Seattle.

The agreement addresses certain shortcomings in the Bank's governance, risk management and financial performance, which were identified during a regular examination and a subsequent review conducted by the Finance Board in 2004. The written agreement is designed to address these shortcomings and to enhance business planning and capital management at the Seattle Bank.

The agreement accordingly calls for independent reviews of the Seattle Bank's board oversight and management, and the Bank's risk management.

Under the agreement, the Seattle Bank must also submit to the Finance Board a three-year business and capital management plan that is acceptable to the Finance Board. As part of that plan, the Bank will establish, subject to Finance Board review, capital stock, retained earnings, and dividend policies appropriate for the Bank's business strategies.

Other provisions of the written agreement include monthly progress reports to the Finance Board, a limitation on the growth of the Seattle Bank's acquired member assets, and a limitation on the amount of certain investments held by the Bank.

A [copy of the written agreement](#) is available at the Finance Board's website.

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