



NEWS

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FHFB Adopts an Amendment to the Consent Order to Cease and Desist

The Board of Directors of the Federal Housing Finance Board (Finance Board) adopted an amendment on [July 23, 2008](#) to the consent order to cease and desist (consent order) against the Federal Home Loan Bank of Chicago (Chicago Bank), which was originally issued on [October 10, 2007](#). The amendment will permit the Chicago Bank to repurchase or redeem newly-issued capital stock to support new advances, subject to certain conditions set forth in the order.

In adopting the amendment, the Finance Board determined that allowing the Chicago Bank to repurchase or redeem newly-issued capital stock could help the Bank to grow its advances business and thereby improve its financial condition while preserving the stability of the Bank's existing capital stock.

The amendment to the consent order will take effect upon submission to the Finance Board of a certified resolution of the Chicago Bank's board of directors indicating its agreement to be bound by the terms of the amendment.

The Federal Housing Finance Board is a non-appropriated funds agency that assesses the Federal Home Loan Banks for the costs of its operations.

The Federal Housing Finance Board is an independent agency in the executive branch that oversees the safety, soundness, and mission of the 12 regional Federal Home Loan Banks. The Banks are government-sponsored enterprises created in 1932 to provide low-cost funding for housing finance. They have more than 8,100 financial institutions as members, including commercial banks, savings and loans, insurance companies and federally insured credit unions. More information can be found at <http://www.FHFB.gov>

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