Respondents: Salaried veterinary officers of the Spanish Government and U.S. importers of Spanish Pure Breed horses.

Estimated annual number of respondents: 15.

Estimated annual number of responses per respondent: 6.333.

Estimated annual number of responses: 95.

Estimated total annual burden on respondents: 75 hours.

(Due to rounding, the total annual burden may not equal the product of the annual responses multiplied by the average reporting burden per response.)

Copies of this information collection can be obtained from: Clearance Officer, OCIO, USDA, room 404–W, 14th Street and Independence Avenue, SW., Washington, DC 20250.

List of Subjects in 9 CFR Part 93

Animal diseases, Imports, Livestock, Poultry and poultry products, Quarantine, Reporting and recordkeeping requirements.

Accordingly, we propose to amend part 93 as follows:

PART 93—IMPORTATION OF CERTAIN ANIMALS, BIRDS, AND POULTRY, AND CERTAIN ANIMAL, BIRD, AND POULTRY PRODUCTS; REQUIREMENTS FOR MEANS OF CONVEYANCE AND SHIPPING CONTAINERS

1. The authority citation for part 93 continues to read as follows:

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 102–105, 11, 114a, 134a, 134b, 134c, 134d, 134f, 136, and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.2(d).

§ 93.301 [Amended]

2. In § 93.301, footnote 6 would be amended by adding the words ‘‘Servicio de Cria Caballar y Remonta for Spain;’’ immediately after the word ‘‘Department:’’.

3. In § 93.301, paragraph (c)(2)(v), the heading to paragraph (d), and the introductory text in paragraph (d)(1) would be revised to read as follows:

§ 93.301 General prohibitions; exceptions.

* * * * *

(c) * * *

(2) * * *

(v) Spanish Pure Breed horses imported for permanent entry from Spain or thoroughbred horses imported for permanent entry from France, Germany, Ireland, or the United Kingdom if the horses meet the requirements of paragraph (d) of this section;

* * * * *

(d) *Spanish Pure Breed horses from Spain and thoroughbred horses from France, Germany, Ireland, and the United Kingdom.* (1) Spanish Pure Breed horses from Spain and thoroughbred horses from France, Germany, Ireland, and the United Kingdom may be imported for permanent entry if the horses meet the following requirements:

* * * * *

4. In § 93.301, in paragraph (d)(1)(ii)(D), the first sentence, the words ‘‘For thoroughbred horses’’ would be removed and the words ‘‘For Spanish Pure Breed horses and thoroughbred horses’’ would be added in their place.

5. In § 93.301, in paragraph (d)(3), the words ‘‘Thoroughbred horses’’ would be removed and the words ‘‘Spanish Pure Breed horses and thoroughbred horses’’ would be added in their place each time they appear.

Done in Washington, DC, this 28th day of March 2000.

Bobby R. Acord,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 00–8123 Filed 3–31–00; 8:45 am]

BILLING CODE 3410–34–U

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 915

[No. 2000–12]

RIN 3069–AB00

Election of Federal Home Loan Bank Directors

AGENCY: Federal Housing Finance Board.

ACTION: Proposed rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is proposing to amend its regulations to address the status of the 1999 and 2000 elections of directors at each Federal Home Loan Bank (Bank), and to provide standards regarding the manner in which the Banks must stagger their boards. The proposed rule also would address the consequences to an incumbent director whose directorship is eliminated or is redesignated as representing Bank members located in a different state before the end of his or her term.

EFFECTIVE DATE: The Finance Board will accept written comments on the rule until May 3, 2000.

FOR FURTHER INFORMATION CONTACT: Neil R. Crowley, Deputy General Counsel, (202) 408–2990, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

SUPPLEMENTARY INFORMATION:

I. Background

During 1999, each Bank conducted elections in which the members voted to elect approximately one-half of the elected directors of the Bank. The directors-elect were to have assumed office for two-year terms, commencing on January 1, 2000. On November 12, 1999, the Gramm-Leach-Bliley Act, Pub. Law No. 106–102, 133 Stat. 1338, 1453 (Nov. 12, 1999) (GLB Act), became law, amending Section 7(d) of the Federal Home Loan Bank Act (Bank Act) to establish 3-year terms for all Bank directors. 12 U.S.C. 1427(d), as amended. Because the GLB Act amendments became law upon enactment, they had the effect of extending the two-year terms of all incumbent elected directors by one year.[1] Thus, on January 1, 2000, there were no open directorships for the directors-elect to fill, and those individuals did not assume office on that date.

In previously addressing the effect of the GLB Act on the terms of Bank directorships, the Finance Board expressed its intent to authorize the board of directors of each Bank to decide whether to conduct new elections in 2000 or to adopt the tabulation of votes cast in the 1999 elections for use in the 2000 elections. Finance Board Resolution No. 99–65 (Dec. 14, 1999). The Finance Board indicated that it subsequently would establish the criteria by which the board of each Bank could make that decision, which is one issue addressed in this proposed rulemaking.

The GLB Act also provides that the Finance Board and the board of directors of each Bank shall adjust the term of any director first appointed or elected after enactment of the GLB Act, as necessary to cause the board of each Bank to be staggered into three approximately equal classes. 12 U.S.C. 1427(d), as amended. The GLB Act, however, imposed the staggering requirement without amending existing law, under which the directorships of the Banks are allocated among the states based in part on the amount of Bank stock held by the members located in each state and in part on the number of directorships designated to each state in

[1] See Finance Board Resolution No. 99–65 (Dec. 14, 1999). The GLB Act also had the effect of shortening the terms of all sitting appointed directors from four years to three years. An express transition provision in an earlier version of H.R. 10, which would have mandated that the new 3-year terms take effect with the first post-enactment elections, was not carried over into the GLB Act. H.R. 10, § 164(d), 105th Cong., 2d Sess. (May 13, 1998) (as passed by the House of Representatives).

1960. Under the existing provisions, it is possible for a directorship to be redesignated mid-term to represent the members located in another state. It is also possible that the annual designation of directorships might reduce the number of directorships allocated to a particular state, thus causing a directorship to disappear altogether. The proposed rule includes provisions that are intended to maintain a staggered board notwithstanding the possibility that over time one or more directorships might be eliminated. The proposed rule also would address the consequences to an incumbent director if his or her seat is eliminated or is redesignated mid-term to represent members located in another state.

II. State-Based Directorships

Section 7(b) of the Bank Act requires that the Finance Board designate ''[e]ach elective directorship * * * as representing the members located in a particular State'' and provides that the seat ''shall be filled by a person who is an officer or director of a member located in that State.'' 12 U.S.C. 1427(b) (1994). Section 7(c) of the Bank Act requires that the designation of directorships ''be determined * * * in the approximate ratio of the percentage of the * * * stock [required to be held by] * * * the members located in * * * [a particular] State at the end of the * * * [prior year] to the total required stock * * * of all members of such bank at the end of such year.'' 12 U.S.C. 1427(c) (1994). Under the stock-based allocation formula, each state must be allocated at least one directorship, but no state can be allocated more than six directorships. Section 7(c) also includes a ''grandfather provision,'' however, under which each state may not be allocated fewer directorships than were allocated to it as of December 31, 1960, without regard to the amount of Bank stock currently held by the members in that state. The effect of the grandfather provision is that the members in 20 states are entitled to a minimum number of directorships that ranges from two to six seats per state. *See* 12 CFR 915.15 (listing the states with more than one grandfathered directorship).

The stock-based designation of the elective directorships is done annually. Because the allocation of directorships depends on the amount of Bank stock held by the members located in each state, the state to which a directorship is designated can change from one year to the next as the relative stockholdings of the members change. Because the constituency of a directorship could ''migrate'' to another state as a result of a redesignation, the incumbent would no longer be an officer or director of a member located in the designated state, as is required by Section 7(b), and thus would become ineligible to remain in office as a result of the redesignation. If such a redesignation were to occur mid-term, the board of directors of the Bank would be required to fill the resulting vacancy for the remainder of the unexpired term with an eligible successor, *i.e.,* an officer or director of a member located in the newly-designated state, pursuant to Section 7(f) of the Bank Act. 12 U.S.C. 1427(f) (1994).

Apart from the possibility that a given directorship may be redesignated to another state, it is possible that an elected directorship could disappear entirely as a result of a shift in the relative amounts of Bank stock held by the members located in different states. For example, in the New York Bank district an allocation of directorships based solely on the relative stockholdings of the members in New York and New Jersey at the end of 1998 would have resulted in the designation of six directorships to New York and two directorships to New Jersey. Because of the grandfather provision, however, the Finance Board cannot allocate fewer than four directorships to the New Jersey members, which results in four directorships being designated to New Jersey and six directorships being designated to New York. The members located in New York also are entitled to four seats under the grandfather provision. Thus, the fifth and sixth directorships that currently are designated to New York would continue to be designated to New York only if the relative amounts of Bank stock held by the members in each state remains unchanged in subsequent years.

If the amount of stock held by the New York members were to decrease sufficiently, the stock-based allocation might result in the New York members being allocated only five directorships, rather than their current six seats, with the New Jersey members being allocated three directorships. Although the grandfather provision again would result in New Jersey being allocated four seats, there no longer would be any basis for the New York members to retain the sixth directorship, which would be eliminated. There are at present nine states in eight of the Banks that are allocated one or more directorships in excess of the number guaranteed by the grandfather provision in which a directorship could be eliminated as a result of such a scenario.

Separately, Section 7(a) of the Bank Act allows the Finance Board to create additional elected directorships—''discretionary directorships''—for any Bank in which the district includes five or more states. 12 U.S.C. 1427(a), as amended. There are five such Bank districts: Boston, Atlanta, Dallas, Des Moines, and Seattle. The Finance Board has established a total of five discretionary seats for four of those Banks, which are designated to the following states: Massachusetts (1), North Carolina (1), Missouri (1), and Washington (2). The designation of those discretionary directorships is done at the same time as the annual designation of directorships, but is not dependent on the amount of Bank stock held by the members in a particular state, or on any other factor. The existence of the additional elected directorships created pursuant to Section 7(a) is purely a matter of discretion for the Finance Board.

In addition, for any Bank district in which the Finance Board has established a discretionary elected directorship pursuant to Section 7(a), the Bank Act authorizes the Finance Board to establish a limited number of discretionary appointed directorships. The Finance Board has established a total of seven discretionary appointed directorships in the four districts that have discretionary elected seats: Boston (2), Atlanta (1), Des Moines (2), and Seattle (2). The authority to create a discretionary appointed directorship exists only if the Finance Board has exercised its discretion under Section 7(a) to create discretionary elected directorships. Thus, if the Finance Board were to eliminate the existing discretionary elected directorships, the discretionary appointed directorships would cease to exist at the same time. If the Finance Board were to eliminate all of the discretionary elected directorships that it has established, each of the four Banks noted above could lose a total of between two and four directorships at once.

Because of the possibility that a Bank might lose a number of directorships under one or more of the above provisions, the boards of the Banks could become un-staggered over time regardless of the GLB Act, particularly if all directorships are lost from the same class. Because the GLB Act authorizes the adjustment only of the terms of the persons first appointed or elected after enactment, once the initial staggering is accomplished it is not clear that either the Banks or the Finance Board would be authorized subsequently to adjust the terms of the remaining directors, even if only to ''re-stagger'' a board that has become un-staggered due to a loss of directorships. The Finance Board believes that it is unlikely that the GLB Act intended only that the boards of the Banks be staggered initially without any consideration being given to how the appropriate staggering might be maintained into the future. The Finance Board believes that by requiring each Bank's core of ''guaranteed'' directorships, *i.e.,* those authorized by the one-seat per state minimum and the grandfather provisions of Section 7(c), to be separately staggered the proposed rule would best ensure that the staggering required by the GLB Act will continue into the future without the risk that the loss of some directorships would upset the initially staggered board structure.

III. Description of the Proposed Rule

A. The 2000 Election

The first issue addressed by this proposed rule concerns the manner in which the members of each Bank are to elect successors to those directors whose terms will expire on December 31, 2000. The proposed rule generally would allow the board of directors of each Bank two alternatives: (i) conduct new elections during the year 2000 for all states for which an elected directorship is to commence on January 1, 2001, or (ii) adopt the results of the balloting from the 1999 elections for any state that qualifies under the requirements of this proposed rule, and conduct new elections only in those states for which the proposed rule would require a new election to be held. In either case, the designation of directorships conducted by the Finance Board in 2000 is to control as to the number of directorships to be allocated to the individual states.

Before a Bank could decide which alternative to adopt, it would have to comply with two requirements in the proposed rule that are procedural in nature. First, the board of directors of each Bank would have to wait until after receiving from the Finance Board the annual designation of directorships among the states within the Bank's district, in accordance with § 915.3(b). Second, the board would have to determine which states are to be assigned reduced terms in order to implement the staggering provisions of the GLB Act and this proposed rule, as described below.

By regulation, the Finance Board must complete the annual designation of directorships and notify the Banks of the results no later than June 1 of each year. Because the allocation of directorships might vary from year to year, the boards of the Banks cannot know whether the designation of directorships occurring in 2000 will be the same as the designation done in 1999. Mergers, acquisitions, and interstate relocations occurring during 1999, as well as the repeal by the GLB Act of Section 10(e) of the Bank Act (which imposes certain capital-based sanctions on non-qualified thrift lender members), could cause the 2000 designation of directorships to allocate a greater or lesser number of seats to particular states than were allocated to those states in 1999. The proposed rule would provide that the designation of directorships to be provided by the Finance Board in 2000 would be controlling with respect to the states to which the directorships are to be assigned. To avoid the possibility that the Banks might have to revisit the issue yet again if they were to ratify the 1999 election results before knowing whether the designations in 2000 had changed, the Finance Board believes that it would be appropriate for the Banks to await the results of the next annual designation of directorships before deciding how to proceed with the 2000 elections.

The second provision would apply only to those Banks whose boards of directors must decide which of two or more states is to be assigned a directorship with a shortened term. In order to create the third class of directorships required by the GLB Act, certain directorships must be assigned shortened terms in connection with the next two elections. Where the board of directors of a Bank is required to choose among several different states in assigning the shortened term, the proposed rule would require that the board make that determination before considering how to proceed with the 2000 election of directors. For example, the Atlanta Bank has one class of four elected directorships with terms commencing on January 1, 2001, in which each directorship represents a different state. It also has a second class of five elected directorships with terms commencing on January 1, 2002, in which four of the directorships represent different states. For each class, the board of the Atlanta Bank would be required to assign to one state a term of less than three years, and the proposed rule would require the board to make that assignment for both classes before determining how to conduct the 2000 election. The Finance Board believes that the better approach would be for this determination to be made at the outset, so that individuals running for the directorship from the affected states will know beforehand that they will not be serving a full three-year term.

As to the election, although the Finance Board intends to vest the decision regarding the method of selecting directors whose terms will commence on January 1, 2001 with the board of directors of each Bank, the proposed rule would require the Banks to conduct new elections in one case. If the designation of directorships conducted in 2000 were to result in a state being allocated a number of directorships that is greater than the number of nominees from that state in the 1999 election, then the Bank would be required to conduct an election in that state. For example, in the 1999 election the Finance Board had designated one directorship to the members in the state of Rhode Island, and there was only one candidate for that directorship. If the 2000 designation of directorships were to result in Rhode Island being allocated two elected directorships, the proposed rule would require the Boston Bank to conduct a new election in 2000 for both of the Rhode Island directorships. The requirement to conduct a new election in Rhode Island would apply on a state-by-state basis; it would not, for example, require that the Bank conduct a new election in any other states. In this example, had there been additional nominees for the Rhode Island directorship in the 1999 election, the board of directors would not be required to conduct a new election, but could declare elected the nominee who had received the next highest number of votes, assuming he or she remained eligible to serve.

If the proposed rule would not require a Bank to conduct a new election for a particular state, the board of directors of the Bank could decide whether to do so. If the board were to determine that the Bank should conduct new elections in 2000, the Bank would be required to conduct elections for every state for which a directorship is to commence on January 1, 2001, in accordance with the 2000 designation of directorships. In most instances, that would mean that the Bank would conduct elections in all states in which it conducted an election in 1999. The language also would require an election to be held for any other states for which an election may be required by the 2000 designation of directorships, and would require that no election be held in any state for which the Bank held an election in 1999 if none were required by the 2000 designations. If the board of directors of a Bank were to require new elections, the Bank would follow the normal procedures for conducting an election, in accordance with Part 915 of the Finance Board regulations, and the 1999 election results would be given no effect.

If a Bank would not be required to conduct new elections and its board of directors did not opt to do so, the proposed rule would allow the board to adopt the votes cast by the members in 1999 as the basis for electing the directors who are to commence their terms on January 1, 2001. The proposed rule would require that the use of the 1999 elections results be consistent with the 2000 designation of directorships and that there be sufficient eligible nominees remaining from the 1999 elections available to fill the designated seats. The board of each Bank would be required to confirm, on a state-by-state basis, that the use of the 1999 election results would be permissible, *i.e.,* that this rule does not require that a new election be held for a particular state, and that the nominees remain eligible.

If the 2000 designation of directorships among the states proves to be the same as the 1999 designation of directorships, then the proposed rule would allow the board of directors of a Bank to ratify the results of the 1999 election, subject to confirming the eligibility of the directors-elect to serve. If the 2000 designation of directorships were to differ from the 1999 designation, the board of directors still would be able to ratify the results of the 1999 elections, provided that doing so would be consistent with the 2000 designations of directorships. For example, if the number of eligible nominees remaining from the 1999 election for a particular state were to equal or exceed the number of directorships allocated to that state in 2000, the board of directors would be able to adopt the 1999 election results to fill the directorships designated to that state in 2000. In that case, the board would follow the normal elections procedure of declaring elected the nominee who received the greatest number of votes in the 1999 election, as well as each successive nominee until all of the directorships designated to that state have been filled.

If the number of directorships designated to a state in 2000 were to be less than the number of directorships designated to that state in 1999, the proposed rule would allow the board of directors to declare elected only the number of nominees that is required to fill all seats open under the 2000 designation. Thus, if a state in which three directorships were to be filled in the 1999 election were allocated only two directorships in the 2000 designation of directorships, only the two nominees from that state receiving the most votes would be declared elected. Similarly, if the number of directorships designated to a state in 2000 is greater than the number of directorships designated to that state in 1999, the board would declare elected however many nominees from the 1999 election as are required to fill all of the seats allocated to that state under the 2000 designation. Thus, if a state in which two directorships were to be filled in 1999 were allocated three directorships in 2000, and there were other nominees who were not elected in 1999, the board of directors could declare the nominee who received the next highest number of votes elected to the newly created seat.

If the board of directors were to ratify the 1999 election results, the proposed rule would require it to notify the Finance Board, the directors-elect, and each member in the affected state. The notice also would be required to indicate which, if any, terms have been adjusted in order to achieve the staggering required by the GLB Act. This requirement would apply to any directorship with a reduced term. Any such term adjustments must comply with § 915.17 of the proposed rule, described below, which addresses staggering the board of directors.

B. Staggering the Terms of Office

The GLB Act imposed what appears to be a straightforward requirement that the board of directors of each Bank be staggered into three approximately equal classes, *i.e.,* it requires a ‘‘class-based’’ directorship structure for the Banks. Implementing that requirement, however, is not quite so straightforward because the GLB Act also retained the provisions of current law that require that the Banks have a ‘‘state-based’’ directorship structure. To some degree, a ‘‘class-based’’ structure and a ‘‘state-based’’ structure are in conflict. For example, the Banks cannot have and maintain a pure ‘‘class-based’’ staggered directorship structure if other provisions of the Bank Act allow for the possibility that a certain number of directorships may disappear from a given class as a result of shifting stock ownership or at the discretion of the Finance Board. Similarly, the Banks cannot maintain a viable ‘‘state-based’’ directorship structure if the creation, elimination, and redesignation of directorships that are necessary consequences of a system that assigns directorships based on relative stock ownership among the states are constrained by other provisions of the Bank Act that require the maintenance of a strict class structure. The proposed rule attempts to strike a balance between the two directorship structures by focusing on each Bank's core of ‘‘guaranteed’’ directorships, *i.e.,* those that are guaranteed to a particular state by statute, and ensuring that they remain staggered even if a certain number of the ‘‘non-guaranteed’’ directorships are eliminated in the future.

Guaranteed Directorships

The Bank Act guarantees that the members in each state are to be allocated a certain minimum number of Bank directorships. For most states, the Bank Act guarantees each state one directorship. Under the grandfather provision, however, 20 states are guaranteed a minimum number of seats that ranges from two to six directorships. *See* 12 CFR 915.15. Those directorships cannot be eliminated, either by the Finance Board or as a result of shifting stock ownership among the members, nor can they be redesignated as representing members in another state. The proposed rule would define that core group of seats that must be allocated to each state as ‘‘guaranteed directorships’’. Ten of the Banks have eight guaranteed directorships each; the other two Banks, New York and San Francisco, have nine and five guaranteed directorships, respectively.

Non-Guaranteed Directorships

The Bank Act also contemplates that certain states may be allocated directorships beyond the minimum number guaranteed by the Bank Act. The additional directorships result either from the amount of Bank stock held by the members located in a particular state or from the Finance Board's exercise of its authority to create discretionary directorships pursuant to Section 7(a) of the Bank Act. Those seats are not permanently allocated to a particular state and may be redesignated from year to year as representing members in another state; they also could be eliminated entirely. Most of the Banks have such directorships allocated to one or more states within their district, which the proposed rule would define as ‘‘non-guaranteed directorships’’. The proposed rule also would define the two distinct sub-groups of non-guaranteed directorships as: (1) ‘‘discretionary directorships,’’ *i.e.,* an elected or appointed directorship created by the Finance Board pursuant to Section 7(a) in districts with five or more states; and (2) ‘‘stock directorships,’’ *i.e.,* an elected directorship allocated to a state based on the amount of Bank stock held by the members located in that state, in addition to the minimum number of guaranteed directorships allocated to that state.

Staggering Process

The GLB Act requires that the board of each Bank be staggered into three approximately equal classes. Based on that directive, the proposed rule would first divide the guaranteed directorships at each Bank into three groups that are as nearly equal as possible. For the ten Banks that each have eight guaranteed directorships, that would result in three classes with: two directors, three directors, and three directors, respectively. For the New York Bank, with nine guaranteed directorships, the result would be three classes, each with three directorships; for the San Francisco Bank, with five guaranteed directorships, there would be three classes with one, two, and two directorships, respectively. Accordingly, for eleven of the Banks the maximum number of guaranteed directorships that could be grouped into a single ''class'', *i.e.,* a group of directorships with terms expiring on the same date, would be three; for the San Francisco Bank the maximum number would be two.

The Finance Board considered attempting to establish a staggering methodology that could apply to the entire board of both appointed and elected directors, rather than the proposed method that focuses on the guaranteed directorships. Because of the differences between the two types of directors, *i.e.,* the different manner of selection, the different interests represented, and the state-based restrictions that apply only to the elected directors, the Finance Board determined that the better approach would be to build the staggered board on the foundation of guaranteed directorships, with non-guaranteed directorships and appointed directorships being assigned adjusted terms, as necessary to result in the approximate one-third staggering required by the GLB Act.

With regard to both the non-guaranteed and the appointed directorships, the terms would be adjusted only as necessary to achieve the appropriately staggered board. For example, eight of the Banks have six appointed directorships each. As the terms for the existing appointed directorships expire over the next two years, *i.e.,* for the first post-GLB Act appointments, the Finance Board intends to adjust the terms of however many successor directorships are necessary to group the appointed directorships into three classes of two directors each. Because the three groups would be equal in number, there would be no effect on the staggering for the boards of those Banks. Similarly, with regard the other four Banks (three of which have eight appointed directorships and one of which has seven), the Finance Board intends to adjust the terms of those additional directorships as necessary to cause the entire board to be appropriately staggered. The Finance Board already has begun that process with the appointments for directorships commencing on January 1, 2000, and intends to follow the same approach with respect to the appointed directorships with terms commencing on January 1, 2001 and 2002, respectively.

Based initially on the maximum number of guaranteed directorships that may be included in a single class, the Finance Board has created a matrix for each Bank that indicates how the existing classes of elected directorships would be divided in order to create three classes of directorships of approximately equal size. The proposed rule would require the board of directors of each Bank to adjust the terms of directorships that commence on January 1, 2001 and January 1, 2002 in accordance with the matrix for that Bank, as described below. Each matrix groups the directorships based on their current status, *i.e.,* one group whose terms will commence on January 1, 2001, and a second group whose terms will commence on January 1, 2002. Within those two groups, the matrices indicate the states to which each directorship would be designated, the length of the term assigned to each directorship (commencing on January 1, 2001 or January 1, 2002, respectively), and whether the seat is ''non-guaranteed,'' *i.e.,* either a discretionary directorship or a stock directorship. The matrices are based on the designation of directorships conducted in 1999, which is the most recent designation available. The matrices to be published in connection with the final rule would show the designation of directorships based on the amount of stock held by the members of each Bank as of December 31, 1999. The Finance Board also intends to provide updated matrices next year, in conjunction with the then-current designation of directorships.

With regard to the directorships commencing on January 1, 2001, each matrix assigns, or requires the board of directors of the Bank to assign, a three-year term to three of the guaranteed directorships (two directorships, in the case of San Francisco), which is the maximum number of guaranteed directorships allowed for any one class of directors. Each of the remaining guaranteed directorships with terms commencing on January 1, 2001 is assigned a two-year term; those directorships would establish, at least in part, the third class of directorships required by the GLB Act. The matrix applies the same methodology to the class of guaranteed directorships with terms commencing on January 1, 2002, except that the shortened terms would be for one year, rather than for two years. The Finance Board believes that assigning the three-year terms to the maximum number of guaranteed directorships possible in any one class is consistent with the GLB Act, which authorizes the adjustment of the term of a directorship only as necessary to achieve the required one-third staggering of the board.

For example, the Pittsburgh Bank has four guaranteed directorships with terms commencing on January 1, 2001. The matrix indicates that three of those seats—the maximum number of guaranteed directorships in any one class—are to have the full three-year term and the one remaining directorship is to have a two-year term. The Pittsburgh Bank also has four other guaranteed directorship with terms commencing on January 1, 2002. Again, the matrix indicates that three of those seats—the maximum number of guaranteed directorships per class—receive a full three-year term, with the fourth directorship receiving a one year term. As a result, the Bank would achieve the required ''2–3–3'' staggering of its guaranteed directorships by adjusting the terms of only two of the eight guaranteed directorships. Thus, the Bank would have one class of two directorships with terms expiring on December 31, 2002, one class of three directorships with terms expiring on December 31, 2003, and one class of three directorships with terms expiring on December 31, 2004. Though not indicated on the matrix, the Finance Board would adjust the terms of the appointed directorships for the Pittsburgh Bank as necessary to create three classes of two directors each, which would result in the entire board being grouped into classes of ''4–5–5'', which is the closest to the one-third staggering that can be achieved with a fourteen director board.

The matrix for the Pittsburgh Bank also illustrates the different methods by which a directorship is to be assigned a shortened term, one of which is based on the votes cast by the members and the other of which is based on the number of states with directorships at issue. In the case of the four directorships commencing on January 1, 2001, each directorship is designated as representing the members located in

Pennsylvania. In such a case, *i.e.*, where a reduced term must be assigned to one of several directorships from the same state, the proposed rule requires that the assignment be based on the number of votes each director-elect receives in the most recent election. Thus, in the class of directorships commencing on January 1, 2001, the director-elect from Pennsylvania who receives the fourth most votes would be assigned to the two-year term. The same methodology would apply whenever a choice must be made between two or more directorships from the same state, whether the issue is which seat is to receive a reduced term or which seat is to be designated as a ''non-guaranteed'' directorship.

The methodology for assigning the one reduced term among the directorships with terms commencing on January 1, 2002, however, would differ somewhat from that used for the prior class. In this case, three of the four guaranteed directorships at issue would be from different states: West Virginia, Delaware, and Pennsylvania (which has two guaranteed directorships in this class). Here, again, no more than three of the guaranteed directorships may be assigned a full three-year term, and one must receive a reduced term, which in this case would be for one year. Where the number of states is the same as the number of full-term directorships available, as is the case here, the matrix assigns one full term to each state. The matrices reflect a determination by the Finance Board that to the extent possible each state should be treated equally in the assignment of three-year terms. For that reason, the matrix does not allow both Pennsylvania directorships to receive a full term, as that could not occur unless one of the remaining states—Delaware or West Virginia—were to receive the one-year term. With regard to the two Pennsylvania directorships, the board of directors of the Bank would be required to assign the one-year term to the director-elect from Pennsylvania who receives the second highest number of votes, as described in the preceding paragraph.

For certain other Banks, the methods used for the Pittsburgh Bank would not work because the number of states with guaranteed directorships would be greater than the number of three-year terms that are available. In that case, the proposed rule would require the board of directors of the Bank to assign the full three-year terms and the reduced terms among the guaranteed directorships from the different states; *i.e.,* the three full three-year terms would be allocated among four or five states. Where several states are involved, each directorship has a different constituency and thus the number of votes received by each candidate cannot be used to rank them. Also, because the number of states with guaranteed directorships is greater than the number of three-year terms available, not all of the states can be treated equally, as was the case with the Pittsburgh Bank. Where equal treatment for all states would not be possible, the Finance Board believes that it would be most appropriate, as well as consistent with the GLB Act, for the board of directors of each Bank to make the determination as to which states' directorships should be assigned the reduced term. The matrices reflect that provision, noting that the board of the Bank would be required to select one (and in some cases, two) states that would receive a reduced term. (As noted earlier, the boards must make this decision before determining the effect to be given to the 1999 election results.)

For example, the Atlanta Bank has four guaranteed directorships, representing the members in the District of Columbia, Alabama, Virginia, and South Carolina, with terms commencing on January 1, 2001. Only three of those seats may receive a full three-year term; the remaining directorship must receive a two-year term in order to comply with the staggering requirement. In this case, the matrix indicates that the board of the Atlanta Bank must decide which of those four directorships is to be assigned a two-year term. The proposed rule provides that the manner in which the board of directors assigns the reduced term to a particular state is entirely within its discretion, so long as the method is reasonable and is used consistently. Thus, the rule would allow the board to adopt some objective basis for making the determination or to assign the terms randomly, such as through a lottery among the affected states.

The Finance Board recognizes that certain directors may have an interest in which state's directorship is to be assigned a reduced term, but has not proposed to require that the decision be made only by the disinterested directors. In any case, the individuals who may be at risk of having their next term (or the term of their successors) reduced will likely be a minority not only of the elected directors but of the whole board as well. Moreover, all of the appointed directors, who are disinterested in these matters, must be involved in these determinations. The Finance Board believes that those factors, along with the fiduciary duties of all directors to act in the best interests of the Bank, are sufficient safeguards for the process. Nonetheless, the Finance Board requests comment on whether it would be advisable to require such determinations be made only by the disinterested directors, or to include a ''safe harbor'' proviso in the final rule that would allow an interested director, *i.e.,* a director whose directorship may be at risk of being assigned a reduced term, to participate in the decision without being deemed to violate the conflict of interest regulations or the conflict policies of the Bank.

For some Banks neither of the above scenarios will apply because the guaranteed directorships will consist in part of directorships representing different states and in part of multiple directorships from the same state; *i.e.,* there are two or more states with guaranteed directorships at issue, and one or more of those states has more than one directorship open. For example, the Boston Bank has five guaranteed directorships with terms commencing on January 1, 2001: two are designated to Massachusetts, and one each is designated to Connecticut, Rhode Island, and Maine. There also is one non-guaranteed directorship open, which is a stock seat allocated to Connecticut. Because there are three three-year terms to be allocated among four states, the board of directors of the Bank first must determine which one of the four states is to receive the two-year term, as described above with regard to the Atlanta Bank. After doing so, the board then would make any necessary distinctions between directorships from the same state on the basis of the votes received, as in the case of the Pittsburgh Bank. Thus, assuming that the board had assigned one of the three-year terms to one of the two Massachusetts directorships, the board would assign the Massachusetts director-elect who received the most votes to the three-year term. The other guaranteed directorship from Massachusetts would be assigned to the director-elect who received the second highest number of votes. Similarly, the matrix indicates that one of the Connecticut directorships is to be a ''non-guaranteed'' directorship, while the other is to be a ''guaranteed'' directorship. The proposed rule would require the board of the Boston Bank to assign the non-guaranteed directorship to the Connecticut director-elect who received the second highest number of votes in the election; the Connecticut director-elect who received the most votes then would be assigned to the ''guaranteed'' directorship.

With regard to the non-guaranteed directorships, the proposed rule also would provide that once a directorship is designated as non-guaranteed it would retain that status in all subsequent elections unless it is eliminated by the Finance Board (in the case of a discretionary directorship) or as a consequence of a shift in the relative amounts of Bank stock held by members in different states. If, in connection with a subsequent annual designation of directorships, a directorship allocated to a particular state were to be eliminated or redesignated as representing the members in another state, the non-guaranteed directorship from that state would be the directorship that would have to be eliminated or redesignated.

With regard to the non-guaranteed directorships, the matrices have assigned terms to those directorships in a manner that is consistent with the one-third staggering requirement of the GLB Act, as noted previously. For example, the two non-guaranteed directorships at the Boston Bank have been assigned two- and one-year terms, respectively, which both places them into the same class of directors and results in a ''4–3–3'' class structure, which is consistent with the GLB Act. In the event that one or both of those directorships were to be eliminated, the elected directorships would be grouped either into a ''3–3–3'' class structure or the ''2–3–3'' structure of the guaranteed directorships, thus maintaining the one-third staggering of the board.

Eligibility of Directors

The proposed rule also would amend provisions regarding the eligibility of directors to remain in office if the directorship to which they have been elected is redesignated as representing members in another state or is eliminated. As noted above, it is possible that shifting stock ownership among the members in different states could cause the designation of a directorship to change during the course of an incumbent's term of office, or for the seat to disappear. The proposed rule would provide that an elected director becomes ineligible to remain in office if the directorship is designated to another state during that director's term of office or if the directorship is eliminated. The loss of eligibility would take effect on December 31 of the year in which the redesignation occurs.

In the case of a redesignation to another state, the directorship would become vacant and the board of directors of the Bank would fill the vacant directorship for the remainder of the unexpired term in accordance with Section 7(f) of the Bank Act with an officer or director of a member located in the newly-designated state. The proposed rule would make a similar change to the provisions regarding appointed directors, providing that if an appointed directorship that has been created in conjunction with the creation of additional elected directorships in accordance with Section 7(a) of the Bank Act the term of office of the appointed director would terminate on December 31 of the year in which the directorship is terminated.

Conforming Amendments

The proposed rule also includes a number of conforming amendments to other provisions of the regulations to remove references that no longer are accurate in light of the GLB Act and to be consistent with the other elements of the proposed rule.

IV. Regulatory Flexibility Act

The proposed rule would apply only to the Finance Board and to the Federal Home Loan Banks, which do not come within the meaning of small entities as defined in the Regulatory Flexibility Act (RFA). *See* 5 U.S.C. 601(6). Thus, in accordance with section 605(b) of the RFA, 5 U.S.C. 605(b), the Finance Board hereby certifies that the proposed rule, if promulgated as a final rule, will not have a significant impact on a substantial number of small entities.

V. Paperwork Reduction Act

The proposed rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995. See 44 U.S.C. 3501 *et seq.* Therefore, the Finance Board has not submitted any information to the Office of Management and Budget for review.

List of Subjects in 12 CFR Part 915

Banks, banking, Conflict of interests, Elections, Ethical conduct, Federal home loan banks, Financial disclosure, Reporting and recordkeeping requirements.

Accordingly, the Federal Housing Finance Board hereby amends title 12, chapter IX, part 915 of the Code of Federal Regulations, as follows:

PART 915—DIRECTORS, OFFICERS, AND EMPLOYEES OF THE BANKS

1. The authority citation for part 915 continues to read as follows:

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a), 1426, 1427, and 1432.

2. Amend § 915.1 by revising the second paragraph of the definition of ''bona fide resident of a Bank district'' and by adding in alphabetical order definitions of ''discretionary directorship'', ''guaranteed directorship'', ''non-guaranteed directorship'', and ''stock directorship'' to read as follows:

§ 915.1 Definitions.

* * * * *

Bona fide resident of a Bank district means an individual who:

* * * * *

(2) If serving as an elective director, is an officer or director of a member located in a voting state within the Bank district; or

* * * * *

Discretionary directorship means an elected or appointed directorship created by the Finance Board pursuant to Section 7(a) of the Act for districts that include five or more states.

Guaranteed directorship means a directorship that is required by Section 7(a) of the Act and § 915.15 to be designated as representing Bank members that are located in a particular state.

Non-guaranteed directorship means an elected directorship that is either a discretionary directorship or a stock directorship.

Stock directorship means an elected directorship that is designated by the Finance Board as representing the members located in a particular state based on the amount of Bank stock held by the members in that state, and which is in excess of the number of guaranteed directorships allocated to that state.

3. Amend § 915.3 by:

a. Revising the fourth sentence of paragraph (a);

b. Adding a new sentence at the end of paragraph (b)(5);

c. Revising the second sentence in paragraph (c); and

d. Removing paragraph (e) to read as follows:

§ 915.3 Director elections.

(a) * * * The term of office of each elective director shall be three years, except as adjusted pursuant to Section 7(d) of the Act and § 915.17 of this chapter to achieve a staggered board, and shall commence on January 1 of the calendar year immediately following the year in which the election is held. * * *

(b) * * *

(5) * * * If, as part of the annual designation of directorships, the Finance Board eliminates or redesignates to another state an existing discretionary directorship, the term of the directors appointed or elected to the eliminated or redesignated directorship shall terminate on the immediately following December 31.

(c) * * * If the annual designation of elective directorships results in an existing directorship being redesignated as representing members in a different state, the notice also shall state that the directorship must be filled by an officer or director of a member located in the newly designated state as of January 1 of the immediately following year, regardless of whether the term for the incumbent director would have expired by that date.

* * * * *

4. Amend § 915.7, by adding a new paragraph (d), to read as follows:

§ 915.7 Eligibility requirements for elective directors.

* * * * *

(d) *Loss of eligibility.* (1) An elected director shall become ineligible to remain in office if, during his or her term of office, the directorship to which he or she has been elected is eliminated or is redesignated by the Finance Board as representing members located in another state, in accordance with § 915.3(b). The incumbent director shall become ineligible on December 31 of the year in which the directorship is redesignated or eliminated.

(2) In the case of a redesignation to another state, the directorship shall become vacant on December 31 of the year in which the directorship is redesignated and the resulting vacancy shall be filled by the board of directors of the Bank for the remainder of the unexpired term with a person who is an officer or director of a member located in the newly designated state, pursuant to Section 7(f) of the Bank Act.

5. Amend § 915.10, by revising paragraph (b), to read as follows:

§ 915.10 Selection of appointive directors.

* * * * *

(b) *Term of office.* The term of office of each appointive directorship shall be three years, except as adjusted pursuant to Section 7(d) of the Act to achieve a staggered board, and shall commence on January 1. In appointing directors for the terms commencing on January 1, 2001 and 2002, respectively, the Finance Board shall adjust the terms of any appointed directorships as necessary to achieve the one-third staggering of the board of directors required by Section 7(d) of the Act, in accordance with the requirements of this Part and the applicable matrix from the Appendix to this Part. In the case of an appointive directorship that is terminated pursuant to § 915.3(b)(5), the term of office of the directorship shall end on December 31 of that year.

6. Add new § 915.16 to read as follows:

§ 915.16 1999 and 2000 Election of Directors.

(a) *In general.* If the annual designation of Bank directorships conducted by the Finance Board pursuant to § 915.3(b) for the terms commencing on January 1, 2001 differs from the designation conducted for the terms that were to have commenced on January 1, 2000, the former shall control. If for any election the board of directors of a Bank is required by § 915.17(a)(3) to assign a shortened term to one or more directorships from different states, the board shall do so before determining under paragraph (b) of this section whether to adopt the 1999 election results or to hold new elections in 2000.

(b) *Conduct of 2000 elections.* After receipt of the designation of directorships conducted by the Finance Board for directorships with terms commencing on January 1, 2001, the board of directors of each Bank shall determine either:

(1) To conduct new elections for every state in the district for which an elected directorship is to commence on January 1, 2001, or

(2) To conduct new elections only in those states for which this section requires a new election to be held and, for all other states within the district, to use the results of the 1999 elections, for the purpose of electing directors whose terms are to commence on January 1, 2001.

(c) *1999 election results.* If the number of nominees from any state for the 1999 election of directors equals or exceeds the number of directorships designated to that state for terms commencing on January 1, 2001, the board of directors of the Bank may declare elected the nominee receiving the most votes in the 1999 election and, if more than one directorship is to be filled for that state, shall also declare elected each successive nominee receiving the next greatest number of votes, until all directorships designated for that state are filled. Before declaring elected any such nominee, the board of directors of the Bank shall confirm that the nominee is eligible to serve as a director from that state.

(d) *2000 elections.* If the number of directorships designated for any state by the Finance Board for terms commencing on January 1, 2001, exceeds the number of that state's nominees from the 1999 election who remain eligible to serve as a Bank director, then the board of directors of the Bank shall conduct a new election for that state for all of the directorships that have terms commencing on January 1, 2001.

(e) *Report of election.* If the board of directors of a Bank adopts the 1999 election results for any state, it shall provide written notice of its decision to the Finance Board, the directors-elect, and to each member in the affected state. The notice shall indicate the date on which the term of office of each director-elect shall expire, and shall indicate which terms have been adjusted in order to stagger the board of directors as required by Section 7(d) of the Bank Act. Any such adjustments shall be made in compliance with § 915.17. Such notice shall be deemed to constitute the report of election for the 2000 election required by § 915.8(e).

7. Add new § 915.17 to read as follows:

§ 915.17 Staggered directorships in the 2000 and 2001 elections.

(a) *In general.* (1) In conjunction with the annual designation of directorships for directors with terms commencing on January 1, 2001 and January 1, 2002, the Finance Board shall, in addition to allocating directorships among the states, indicate the term of each directorship and which directorships are to be designated as non-guaranteed directorships. A non-guaranteed directorship shall retain that designation in all subsequent elections, unless the directorship is eliminated by the Finance Board pursuant to Section 7(a) of the Bank Act or as a consequence of a change in the amount of Bank stock held by members located in that state.

(2) The board of directors of each Bank shall adjust the terms of any directorships that are to commence on January 1, 2001 or January 1, 2002, in accordance with this section and the matrix for that Bank set forth in the Appendix to this part.

(3) Where the matrix for a Bank indicates that two or more guaranteed directorships are to be filled by persons elected from different states in the same year, and which are to have different terms, the board of directors of the Bank shall assign the shorter terms among the states on any reasonable basis, as determined by Bank's board, provided that:

(i) It uses the same methodology in making all such adjustments; and

(ii) It assigns the terms to the respective states before determining whether to adopt the 1999 election results, in accordance with § 915.16(b).

(b) *Adjustment of terms.* (1) Where the matrix for a Bank indicates that two or more guaranteed directorships are to be filled from the same state in the same year, but which are to have different terms, the board of directors of the Bank shall assign the terms, among the eligible nominees who have received a sufficient number of votes to be elected, such that the nominees receiving the greater number of votes are assigned the longer terms and those nominees receiving the lesser number of votes are assigned the shorter terms.

(2) In the elections occurring in 2000 and 2001, if the matrix for any Bank indicates that both guaranteed and non-guaranteed directorships are to be filled from the same state in the same year, the board of directors shall assign directorships, among the eligible nominees who have received a sufficient number of votes to be elected, such that the nominees receiving the greatest number of votes are assigned the guaranteed directorships and those nominees receiving the fewest votes are assigned the non-guaranteed directorships.

(c) *Other adjustments.* The board of directors of the Bank may not adjust the term of any director other than as provided in this section.

8. Add a new appendix to part 915 to read as follows:

Appendix to Part 915—Staggering For FHL Bank Boards of Directors

TABLE 1

Boston FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 4–3–3
10 Seats: 8 Guaranteed by Statute and 2 Not Guaranteed			
6 Seats to be filled in 2000 Election			
	*Board must allocate 1 Seat to a 2-year term.		
Mass. Seat	3/2 Years*.		
Conn. Seat	3/2 Years*.		
Maine Seat	3/2 Years*.		
R. I. Seat	3/2 Years*.		
Mass. Seat	2 Years.		
Conn. Seat	2 Years	Not Guaranteed (Stock seat).	
4 Seats to be filled in 2001 Election			
Mass. Seat	3 Years.		
N.H. Seat	3 Years.		
Vermont Seat	3 Years.		
Mass. Seat	1 Year	Not Guaranteed (Discretionary Seat).	

Class with Terms Expiring Dec. 31, 2002 (4 seats)
Mass./Conn./Maine/Rhode Island Seat (board to pick 1 of 4)
Mass. Seat
Conn. Seat (not guaranteed by statute)
Mass. Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Mass./Conn./Maine/Rhode Island Seat (board to pick 3 of 4)

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Mass. Seat
N.H. Seat
Vermont Seat

TABLE 2

N.Y. FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 3–3–3 Total staggering: 3–4–4
11 Seats: 9 Guaranteed by Statute and 2 Not Guaranteed			
7 Seats to be filled in 2000 election			
New York Seat	3 Years.		
New Jersey Seat	3 Years.		
Puerto Rico Seat	3 Years.		
New York Seat	3 Years	Not Guaranteed (Stock Seat).	
New York Seat	2 Years.		
New York Seat	2 Years.		
New Jersey Seat	2 Years.		
4 Seats to be filled in 2001 election			
New York Seat	3 Years.		
New York Seat	3 Years	Not Guaranteed (Stock Seat).	
New Jersey Seat	3 Years.		
New Jersey Seat	3 Years.		

Class with Terms Expiring Dec. 31, 2002 (3 seats)
New York Seat
New York Seat
New Jersey Seat

Class with Terms Expiring Dec. 31, 2003 (4 seats)
New York Seat
New York Seat (not guaranteed by statute)
New Jersey Seat
Puerto Rico Seat

Class with Terms Expiring Dec. 31, 2004 (4 seats)
New York Seat
New York Seat (not guaranteed by statute)
New Jersey Seat
New Jersey Seat

TABLE 3

Pitts. FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 2–3–3
8 Seats: All Guaranteed by Statute			
4 Seats to be filled in 2000 Election			
Penn. Seat	3 Years.		
Penn. Seat	3 Years.		
Penn. Seat	3 Years.		
Penn. Seat	2 Years.		
4 Seats to be filled in 2001 Election			
West Va. Seat	3 Years.		
Delaware Seat	3 Years.		
Penn. Seat	3 Years.		
Penn. Seat	1 Year.		

Class with Terms Expiring Dec. 31, 2002 (2 seats)
Penn. Seat
Penn Seat

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Penn. Seat
Penn. Seat
Penn. Seat

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Penn. Seat
Delaware Seat
West Va. Seat

TABLE 4

Atlanta FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 3–3–3
9 Seats: 8 Guaranteed by Statute and 1 Not Guaranteed			
4 Seats to be filled in 2000 Election			
	*Board must allocate 1 Seat to a 2-year term.		
D.C. Seat	3/2 Years*.		
Alabama Seat	3/2 Years*.		
Virginia Seat	3/2 Years*.		
S. Carolina Seat	3/2 Years*.		
5 Seats to be filled in 2001 Election			
	*Board must allocate 1 Seat to a 1-year term.		
N. Carolina Seat	3/1 Years*.		
Georgia Seat	3/1 Years*.		
Maryland Seat	3/1 Years*.		
Florida Seat	3/1 Years*.		
N. Carolina Seat	1 Year	Not Guaranteed (Discretionary Seat).	

Class with Terms Expiring Dec. 31, 2002 (3 seats)
North Carolina Seat (not guaranteed by statute)
D.C./Alabama/Virginia/So. Carolina Seat (board to pick 1 of 4)
No. Carolina/Georgia/Maryland/Florida Seat (board to pick 1 of 4)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
D.C./Alabama/Virginia/So. Carolina Seat (board to pick 3 of 4)

Class with Terms Expiring Dec. 31, 2004 (3 seats)
No. Carolina/Georgia/Maryland/Florida Seat (board to pick 3 of 4)

TABLE 5

Cincinnati FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 3–3–3
9 Seats: 8 Guaranteed by Statute and 1 Not Guaranteed			
4 Seats to be filled in 2000 Election			
	*Board must allocate 1 Seat to a 2-year term.		
Kentucky Seat	3 Years.		
Ohio Seat	3 Years.		
Kentucky Seat	3/2 Years*.		
Ohio Seat	3/2 Years*.		
5 Seats to be filled in 2001 Election			
	*Board must allocate 1 Seat to a 1-year term.		
Ohio Seat	3 Years.		
Tennessee Seat	3 Years.		
Tennessee Seat	3/1 Years*.		
Ohio Seat	3/1 Years*.		
Ohio Seat	1 Year	Not Guaranteed (Stock Seat).	

Class with Terms Expiring Dec. 31, 2002 (3 seats)
Kentucky or Ohio Seat (board to decide)
Ohio Seat (not guaranteed by statute)
Tennessee or Ohio Seat (board to decide)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Kentucky Seat
Ohio Seat
Kentucky or Ohio Seat (board to decide)

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Ohio Seat
Tennessee Seat
Tennessee or Ohio Seat (board to decide)

TABLE 6

Indianapolis FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 4–3–3
10 Seats: 8 Guaranteed by Statute and 2 Not Guaranteed			
4 Seats to be filled in 2000 Election			
Indiana Seat	3 Years.		
Indiana Seat	3 Years.		
Michigan Seat	3 Years.		
Indiana Seat	2 Years.		
6 Seats to be filled in 2001 Election			
	*Board must allocate 1 Seat to a 1-year term.		
Michigan Seat	3 Years.		
Indiana Seat	3 Years.		
Michigan Seat	3/1 Years*.		
Indiana Seat	3/1 Years*.		
Michigan Seat	1 Year	Not Guaranteed (Stock Seat).	
Michigan Seat	1 Year	Not Guaranteed (Stock Seat).	

Class with Terms Expiring Dec. 31, 2002 (4 seats)
Indiana Seat
Michigan or Indiana Seat (board to decide)
Michigan Seat (not guaranteed by statute)
Michigan Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Indiana Seat
Indiana Seat
Michigan Seat

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Michigan Seat
Indiana Seat
Michigan or Indiana Seat (board to decide)

TABLE 7

Chicago FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 4–3–3
10 Seats: 8 Guaranteed by Statute and 2 Not Guaranteed			
4 Seats to be filled in 2000 Election			
Illinois Seat	3 Years.		
Wisconsin Seat	3 Years.		
Wisconsin Seat	3 Years.		
Wisconsin Seat	2 Years.		
6 Seats to be filled in 2001 Election			
Wisconsin Seat	3 Years.		
Illinois Seat	3 Years.		
Illinois Seat	3 Years.		
Illinois Seat	1 Year.		
Illinois Seat	1 Year	Not Guaranteed (Stock Seat).	
Illinois Seat	1 Year	Not Guaranteed (Stock Seat).	

Class with Terms Expiring Dec. 31, 2002 (4 seats)
Wisconsin Seat
Illinois Seat
Illinois Seat (not guaranteed by statute)
Illinois Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Illinois Seat
Wisconsin Seat
Wisconsin Seat

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Wisconsin Seat
Illinois Seat
Illinois Seat

TABLE 8

Des Moines Bank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 4–3–3
10 Seats: 8 Guaranteed by Statute and 2 Not Guaranteed			
6 Seats to be filled in 2000 Election			
	*Board must allocate 1 Seat to a 2-year term.		
Missouri Seat	3/2 Years*.		
South Dakota Seat	3/2 Years*.		
Iowa Seat	3/2 Years*.		
Minnesota Seat	3/2 Years*.		
Iowa Seat	2 Years.		
Minnesota Seat	2 Years	Not Guaranteed (Stock Seat).	
4 Seats to be filled in 2001 Election			
Missouri Seat	3 Years.		
Minnesota Seat	3 Years.		
North Dakota Seat	3 Years.		
Missouri Seat	1 Year	Not Guaranteed (Discretionary Seat).	

Class with Terms Expiring Dec. 31, 2002 (4 seats)
Iowa Seat
Missouri/So. Dakota/Iowa/Minnesota Seat (board to pick 1 of 4)
Minnesota Seat (not guaranteed by statute)
Missouri Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Missouri/So. Dakota/Iowa/Minnesota Seat (board to pick 3 of 4)

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Missouri Seat
Minnesota Seat
North Dakota Seat

TABLE 9

Dallas FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 3–3–3
9 Seats: 8 Guaranteed by Statute and 1 Not Guaranteed			
4 Seats to be filled in 2000 Election			
Texas Seat	3 Years.		
Louisiana Seat	3 Years.		
Arkansas Seat	3 Years.		
Louisiana Seat	2 Years.		
5 Seats to be filled in 2001 Election			
Texas Seat	3 Years.		
Mississippi Seat	3 Years.		
New Mexico Seat	3 Years.		
Texas Seat	1 Year.		
Texas Seat	1 Year	Not Guaranteed (Stock Seat).	

Class with Terms Expiring Dec. 31, 2002 (3 seats)
Louisiana Seat
Texas Seat
Texas Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Texas Seat
Louisiana Seat
Arkansas Seat

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Texas Seat
Mississippi Seat
New Mexico Seat

TABLE 10

Topeka FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 2–3–3
10 Seats: 8 Guaranteed by Statute and 2 Not Guaranteed			
5 Seats to be filled in 2000 Election			
Colorado Seat	3 Years.		
Oklahoma Seat	3 Years.		
Kansas Seat	3 Years.		
Colorado Seat	2 Years.		
Kansas Seat	2 Years.		
5 Seats to be filled in 2001 Election			
Kansas Seat	3 Years.		
Oklahoma Seat	3 Years.		
Nebraska Seat	3 Years.		
Nebraska Seat	1 Year	Not Guaranteed (Stock Seat).	
Oklahoma Seat	1 Year	Not Guaranteed (Stock Seat).	

Class with Terms Expiring Dec. 31, 2002 (4 seats)
Colorado Seat
Kansas Seat
Nebraska Seat (not guaranteed by statute)
Oklahoma Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Colorado Seat
Oklahoma Seat
Kansas Seat

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Kansas Seat
Oklahoma Seat
Nebraska Seat

TABLE 11

San Francisco FHLBank	Terms	Non-guaranteed seats	Guaranteed staggering: 1–2–2 Total staggering: 2–3–3
8 Seats: 5 Guaranteed by Statute and 3 Not Guaranteed			
4 Seats to be filled in 2000 Election			

TABLE 11—Continued

San Francisco FHLBank	Terms	Non-guaranteed seats	Guaranteed staggering: 1–2–2 Total staggering: 2–3–3
California Seat	3 Years..		
California Seat	3 Years..		
California Seat	3 Years	Not Guaranteed (Stock Seat).	
California Seat	2 Years	Not Guaranteed (Stock Seat).	
4 Seats to be filled in 2001 Election			
	*Board must allocate 1 seat to a 1-year term.		
California Seat	3/1 Years*.		
Nevada Seat	3/1 Years*.		
Arizona Seat	3/1 Years*.		
California Seat	1 Year	Not Guaranteed (Stock Seat).	

Class with Terms Expiring Dec. 31, 2002 (3 seats)
California/Nevada/Arizona Seat (board to pick 1 of 3)
California Seat (not guaranteed by statute)
California Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
California Seat
California Seat
California Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2004 (2 seats)
California/Nevada/Arizona Seat (board to pick 2 of 3)

TABLE 12

Seattle FHLBank	Term	Non-guaranteed seats	Guaranteed staggering: 2–3–3 Total staggering: 4–3–3
10 Seats: 8 Guaranteed by Statute and 2 Not Guaranteed			
5 Seats to be filled in 2000 Election			
Hawaii Seat	3 Years.		
Utah Seat	3 Years.		
Alaska Seat	3 Years.		
Washington Seat	2 Years	Not Guaranteed (Discretionary Seat).	
Washington Seat	2 Years	Not Guaranteed (Discretionary Seat).	
5 Seats to be filled in 2001 Election			
	* Board must allocate 2 seats to 1-year terms.		
Montana Seat	3/1 Years*.		
Oregon Seat	3/1 Years*.		
Washington Seat	3/1 Years*.		
Idaho Seat	3/1 Years*.		
Wyoming Seat	3/1 Years*.		

Class with Terms Expiring Dec. 31, 2002 (4 seats)
Montana/Oregon/Idaho/Wyoming/Washington Seat (board to pick 2 of 5)
Washington Seat (not guaranteed by statute)
Washington Seat (not guaranteed by statute)

Class with Terms Expiring Dec. 31, 2003 (3 seats)
Hawaii Seat
Utah Seat
Alaska Seat

Class with Terms Expiring Dec. 31, 2004 (3 seats)
Montana/Oregon/Idaho/Wyoming/Washington Seat (board to pick 3 of 5)

Dated: February 23, 2000.

By the Board of Directors of the Federal Housing Finance Board.

Bruce A. Morrison,

Chairman.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 99–NE–13–AD]

RIN 2120–AA64

Airworthiness Directives; General Electric Company CT58 Series Turboshaft Engines

AGENCY: Federal Aviation Administration, DOT.