



No.: 2000-26
Date: June 2, 2000

FEDERAL HOUSING FINANCE BOARD

Rescission of Decision Memorandum Number 95-DM-09 (February 9, 1995)
and Resolution Number 96-94 (December 12, 1996)

WHEREAS, the Federal Housing Finance Board (Finance Board) issues consolidated obligations (COs) on behalf of the Federal Home Loan Banks (Banks) through the Office of Finance (OF) under section 11(c) of the Federal Home Loan Bank Act (Bank Act) (12 U.S.C. 1431(c)); and

WHEREAS, the Finance Board, as issuer of the COs, has been responsible for preparation and distribution of the combined annual and quarterly financial reports for the Bank System; and

WHEREAS, the Finance Board in Decision Memorandum Number 95-DM-09, dated February 9, 1995, devolved responsibility for execution and administration of the Bank System's external financial audit contract from the Finance Board to the Banks, subject to certain terms and conditions, along with the contract for the audit of the financial statements of each of the 12 Banks, the OF and the Financing Corporation (FICO); and

WHEREAS, one of the conditions in the Decision Memorandum was that the Banks must contract to engage a single Independent Accountant for the audits of the financial statements of each Bank, the OF, FICO and the combined Banks, and that such contracts must be approved by the Board of Directors of the Finance Board; and

WHEREAS, in Resolution Number 96-94, dated December 12, 1996, the Finance Board amended the Decision Memorandum to simplify the approval process by requiring that the external financial audit contract to be executed and administered by the Banks must be approved by the Finance Board prior to final award of the contract; and

WHEREAS, the Finance Board has on this date adopted a final rule that, among other things, transfers the responsibility for the preparation of financial statements to the OF, and incorporates the relevant provisions of the Decision Memorandum and the Resolution.

NOW, THEREFORE, IT IS RESOLVED that Decision Memorandum No. 95-DM-09 and Finance Board Resolution No. 96-94 are hereby rescinded.

By the Federal Housing Finance Board:

/s/ Bruce A. Morrison

Bruce A. Morrison, Chairman