

FEDERAL HOUSING FINANCE BOARD

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OPEN BOARD MEETING

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Wednesday, August 10, 2005

10:01 a.m.

Room 1000
1625 I Street, N.W.
Washington, D.C.

MILLER REPORTING CO., INC.
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P R O C E E D I N G S

CHAIRMAN ROSENFELD: Good morning, everyone. I call this meeting of the Federal Housing Finance Board to order. Today, we will have an open session to consider one item and a closed session to follow, where the Board will receive updates of examinations and supervisory findings.

We need to start today's meeting with a public vote to approve closing the latter portion of today's meeting, as required by the Sunshine Act and Finance Board regulations. And since the closed portion of today's meeting will contain sensitive and confidential bank examination information, I would ask for a motion to seal the transcript of this portion of the meeting.

Director Castaneda.

DIRECTOR CASTANEDA: Mr. Chairman, I move to close that portion of this meeting that deals with bank examinations. And I move that the transcript of the closed portion of the meeting be kept confidential.

CHAIRMAN ROSENFELD: Thank you for the motion. Is there any discussion of the motion?

[No response.]

CHAIRMAN ROSENFELD: Seeing none, the Secretary will please call the roll on the motion.

MS. KAYE: Director Leichter, how do you vote?

DIRECTOR LEICHTER: Yes.

MS. KAYE: Director Castaneda.

DIRECTOR CASTANEDA: Yes.

MS. KAYE: Director Mendelowitz.

DIRECTOR MENDELOWITZ: Yes.

MS. KAYE: Director Montgomery.

DIRECTOR MONTGOMERY: Yes.

MS. KAYE: Chairman Rosenfeld.

CHAIRMAN ROSENFELD: Yes.

Good work. The motion is carried, and the subsequent portion of our meeting will be closed. That is, the transcript will remain closed and confidential. Thank you. Let us now turn to the public portion of today's meeting. The first agenda item for consideration is a resolution adopting the

reporting requirements for the membership database.
Who will be making the staff presentation?

MR. HEARN: I will, Mr. Chairman, Tom Hearn.

CHAIRMAN ROSENFELD: Thank you. Thank you very much, Tom.

MR. HEARN: Good morning.

Today, we are recommending that the Finance Board adopt reporting requirements for the membership database. In February of this year, the Finance Board signaled its intention to reorganize the way it imposes greater reporting requirements on the Federal Home Loan Banks.

The goal of this reorganization is to have reporting requirements that are enforceable and, where necessary, can be changed with greater flexibility than would be possible than if they were contained in regulations.

Last month, in a first step in this reorganization, the Finance Board adopted requirements for the call report system. We are

here today to recommend that you adopt reporting requirements for membership.

For several years, each bank has filed quarterly reports with the Finance Board containing general and specific financial information about its members and housing associates. For members, such information includes outstanding advances in capital stockholdings. Finance Board staff uses information in the membership database to perform its supervisory function over each bank and over the Bank System. Information in the membership database is also available to the banks as well as the Office of Finance.

The resolution before you today and the instructions attached as Exhibit 1 would ratify the current membership reporting requirements that have been imposed by Finance Board staff. The action would not make any subsequent changes to these requirements.

I would now be pleased to answer any questions that you may have.

CHAIRMAN ROSENFELD: If there's nothing else, I would accept a motion to approve the resolution.

DIRECTOR MENDELOWITZ: So moved.

CHAIRMAN ROSENFELD: The Secretary will please call the roll.

MS. KAYE: Director Leichter, how do you vote?

DIRECTOR LEICHTER: Yes.

MS. KAYE: Director Castaneda.

DIRECTOR CASTANEDA: Yes.

MS. KAYE: Director Mendelowitz.

DIRECTOR MENDELOWITZ: Yes.

MS. KAYE: Director Montgomery.

DIRECTOR MONTGOMERY: Yes.

MS. KAYE: And Chairman Rosenfeld.

CHAIRMAN ROSENFELD: Yes.

The motion is adopted.

Thank you. This will end the open session of the meeting. We will reconvene in closed session in five minutes.

[Whereupon, at 10:05 a.m., the open session
of the meeting concluded.]