

DECISION MEMORANDUM OF THE FINANCE BOARD

ACTING WITHOUT A QUORUM

Date: March 15, 1995

No. 95-DM-16

ISSUE:

Doral Federal Savings Bank (Doral), Catano, Puerto Rico, has requested the Federal Housing Finance Board (Housing Finance Board) to remove its restriction on access to long-term advances due to non-compliance with the Community Support requirements. See 112 C.F.R. § 9367(a)(1).

FACTORS CONSIDERED:

On July 15, 1994, Doral was selected for review under the Community Support Program. Pursuant to § 936.3(a) of the Community Support regulation, Doral was required to submit a Community Support Statement (Statement) to the Federal Home Loan Bank (FHLBank) of New York on August 31, 1994. To date, Doral has not submitted a Statement.

Between July 15, 1994, and December 1994, the FHLBank of New York several times attempted to contact Doral and request its Statement. Because of management changes at Doral, it is unclear, however, whether any substantive contact was made between the FHLBank of New York and Doral.

On December 2, 1994, pursuant to § 936.7(b) of the Community Support regulation, the Housing Finance Board notified Doral that it would restrict Doral's access to long-term advances in 30 days unless Doral submitted a Statement. A copy of this letter was sent to the: FHLBank of New York.

After receiving no response to its letter of December 2, 1994, on January 17, 1995, the Housing Finance Board notified Doral that it was restricting Doral's access to long-term advances, effective immediately, and simultaneously notified the FHLBank of New York to restrict Doral's access to long-term advances.

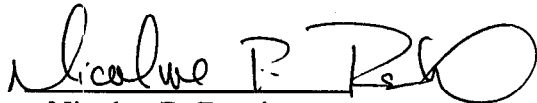
By letter dated February 6, 1995, Doral notified the Housing Finance Board that the failure to submit a Statement was an oversight resulting from inadequate communication arising from changes in both its address and senior management. Doral stated that it did not receive the letters of December 2, 1994, or January 17, 1995, from the Housing Finance Board.

Doral has requested that the Housing Finance Board remove the restriction on access to long-term advances in light of these circumstances.

Pursuant to § 936.7(g) of the Community Support regulation, it is within the discretion of the Housing Finance Board to decide when to remove restrictions on a member's access to long-term advances. See 12 C.F.R § 936.7(g).

DECISION:

Based on the factors set forth above and the authority provided in 12 C.F.R. § 936.7(g), the restriction on access to long-term advances to Doral is removed. Doral will be required to submit its Statement within 60 days from the date of the Decision Memorandum.


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Lawrence U. Costiglio