

No.: 96- 60
Date: July 30, 1996

FEDERAL HOUSING FINANCE BOARD

Procedures for Review of Disputed Supervisory Determinations

WHEREAS, under section 20 of the Federal Home Loan Bank Act, as amended, codified at 12 U.S.C. § 1440, the Federal Housing Finance Board (Finance Board) must require examinations and reports of condition of each of the Federal Home Loan Banks (FHLBank) at least annually;

WHEREAS, under 12 U.S.C. § 1440, examiners appointed by the Finance Board to conduct the required examinations are subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act and the Federal Reserve Act (bank examiners), and have the same powers and privileges as are vested in those bank examiners by law, including 12 U.S.C. § 481;

WHEREAS, under 12 U.S.C. § 481, Finance Board examiners are empowered to make a "thorough examination of all of the affairs of [a FHLBank and its affiliates] and . . . to administer oaths and to examine any of the officers and agents thereof under oath . . .";

WHEREAS, the Office of Supervision of the Finance Board conducts periodic examinations of the Banks pursuant to Finance Board regulation 12 C.F.R. § 900.14, and during the course of an examination a Finance Board examiner may make findings regarding safety and soundness, compliance, or program issues, and may issue findings and determinations requiring mandatory action concerning such unsafe and unsound practice or condition, weakness, or violation in a report of examination issued pursuant to 12 U.S.C. 1440; and

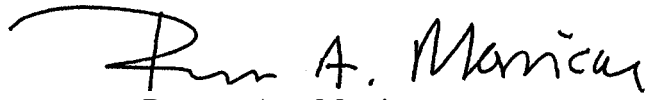
WHEREAS, from time to time a FHLBank may disagree with or object to such findings or determinations, and the Finance Board has determined that it is in the best interest of the Finance Board and the FLHBanks to provide for a process for the prompt review and resolution of such disputes;

NOW, THEREFORE, IT IS RESOLVED, that these Procedures for the Review of Disputed Supervisory Determinations are adopted by the Finance Board in accordance with 12 U.S.C. § 1422b(a)(1) and 12 C.F.R. § 900.50, effective immediately, shall remain in effect until October 31, 1996, and shall not be effective beyond that date unless extended.

IT IS FURTHER RESOLVED that these Procedures for the Review of Disputed Supervisory Determinations, shall be immediately applicable to all pending matters, and any matters and petitions filed up to and through October 31, 1996; are mandatory and are the exclusive

administrative remedy available under the Federal Home Loan Bank Act to the FHLBanks to address their objections to disputed supervisory determinations as defined in the procedures.

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, reading "Bruce A. Morrison". The signature is written in a cursive style with a large, sweeping initial "B".

Bruce A. Morrison
Chairman