

No.: 93-4
Date: January 27, 1993

FEDERAL HOUSING FINANCE BOARD

Issuance of Debt by the FHLBank of Seattle
Without Prior Finance Board Authorization

WHEREAS, Section 11(a) of the Federal Home Loan Bank Act ("Act") allows the Federal Home Loan Banks ("FHLBanks" or "Banks") to issue debt obligations, subject to rules and regulations prescribed by the Finance Board, or upon such terms and conditions as the Finance Board approves; and

WHEREAS, neither the Finance Board, nor any of its predecessors, has prescribed rules, regulations, or the terms and conditions, under which such debt issuances are authorized; and

WHEREAS, the Federal Home Loan Bank of Seattle on April 1, 1992, issued a promissory note in favor of World Savings and Loan Association ("World"), without first soliciting and receiving Finance Board authorization; and

WHEREAS, the Finance Board has reviewed the circumstances surrounding the FHLBank of Seattle's issuance of said promissory note and views such note issuance to be a violation of Section 11(a) of the Act;

NOW, THEREFORE, BE IT RESOLVED, that the Finance Board hereby directs the FHLBank of Seattle to, in future, seek prior Finance Board authorization before entering into any such obligation.

By the Federal Housing Finance Board



Daniel F. Evans, Jr., Chairman