



No.: **1999-66**

Date: **December 14, 1999**

FEDERAL HOUSING FINANCE BOARD

Modification of Resolution Number 1999-50: Single Family Member Mortgage Assets Programs

WHEREAS, on October 4, 1999, the Board of Directors (BOD) of the Federal Housing Finance Board (Finance Board) adopted Resolution Number 1999-50 (Res. 99-50) whereby the Finance Board authorized all of the Federal Home Loan Banks (FHLBanks) to establish and operate Single Family Member Mortgage Asset Programs (MMA) and established guidelines, terms, conditions and parameters for all MMA; and

WHEREAS, MMA is a generic designation for programs that efficiently allocate mortgage risks so as to best use the core competencies of the entities involved, provide appropriate capital treatment to the participating financial institution members, and provide capital market funding and risk management alternatives, all for the ultimate benefit of consumers; and

WHEREAS, on July 19, 1999, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision issued a letter to the FHLBank of Chicago confirming the appropriate risk-based capital treatment for participating financial institution members using the "Mortgage Partnership Finance®" Program (MPF®) product known as "MPF® 100"; and

WHEREAS, at the request of several FHLBanks, the Finance Board intends affirmatively to confirm the status of previously authorized and existing MMA programs and products, including products offered through the MPF® program, to confirm that the product known as "MPF® 100" and MMA products whose structures are consistent with the product known as "MPF® 100" do comply with the generic structure authorized under Res. 99-50, and to clarify certain provisions of Res. 99-50;

NOW, THEREFORE, IT IS RESOLVED that the BOD of the Finance Board hereby confirms that all MMA products or programs, including MPF® and the product known as "Original MPF®," previously authorized under the terms of Finance Board Resolution Number 98-41, dated Sept. 23, 1998, continue to be authorized under, and conform to the provisions of Res. 99-50, as amended by this resolution;

IT IS FURTHER RESOLVED that the BOD of the Finance Board hereby confirms that MMA products whose structures are consistent with the product known as "MPF ® 100" do comply with the generic structure authorized under Res. 99-50, as amended by this resolution;

IT IS FURTHER RESOLVED that the BOD of the Finance Board hereby modifies Res. 99-50 by amending paragraph (1)(a) of the first “FURTHER RESOLVED” clause to read as follows:

Purchasing such loans or loan pools from or through the FHLBank’s member or eligible nonmember borrower, *provided that* such loans or loan pools have been originated by the FHLBank’s member or eligible nonmember borrower, or a subsidiary or affiliate (as defined in the Federal Reserve Act) thereof, or have been held for a valid business purpose by the member or eligible nonmember borrower or subsidiary or affiliate thereof, as demonstrated by the FHLBank, prior to acquisition by the FHLBank; or; and

IT IS FURTHER RESOLVED that all other conditions of Res. 99-50 shall remain unchanged and in full force and effect;

By the Board of Directors of the
Federal Housing Finance Board

/s/ Bruce A. Morrison

Bruce A. Morrison, Chairman