

No.: 97-49
Date: July 31, 1997

FEDERAL HOUSING FINANCE BOARD

Purchase of Participation Interests in the Federal Home Loan Bank
of Chicago's Mortgage Partnership Finance Program
by the Federal Home Loan Bank of Pittsburgh

WHEREAS, the FHLBank of Pittsburgh, as required under section 934.1 of the regulations of the Federal Housing Finance Board (Finance Board), has requested Finance Board permission to purchase participation interests in pools of mortgage loans held by the FHLBank of Chicago under its Mortgage Partnership Finance (MPF) pilot program, under which the FHLBank of Chicago will fund \$750 million in single-family mortgage loans originated by its member institutions and hold such mortgage loans in portfolio; and

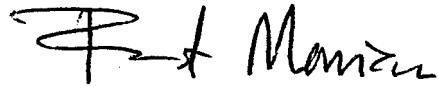
WHEREAS, Resolution No. 96- 111 of the Board of Directors of the Finance Board, dated December 23, 1996, authorized the FHLBank of Chicago to establish the MPF pilot program pursuant to the Federal Home Loan Bank Act (Bank Act) and in conformity with the guidelines set forth in section II.B.12 of the FHLBank System Financial Management Policy; and

WHEREAS, the Finance Board's Office of General Counsel has determined previously that participation interests in pools of mortgage loans are "securities" for purposes of sections 11(h) and 16(a) of the Bank Act and the FHLBank of Pittsburgh has provided the Finance Board with an opinion of counsel concluding that participation interests in the MPF mortgage loan pools are such securities as fiduciary and trust funds may be invested in under the laws of the Commonwealth of Pennsylvania and, thus, constitute permissible investments for the FHLBank under sections 11(h) and 16(a) of the Bank Act; and

WHEREAS, as required by section 934.1 of the regulations of the Finance Board, the board of directors of the FHLBank of Pittsburgh, at its meeting of July 21, 1997, authorized the purchase of participation interests of up to one percent, not to exceed \$7.5 million, in pools of MPF mortgage loans;

NOW THEREFORE BE IT RESOLVED THAT, the Board of Directors of the Finance Board hereby approves the request of the FHLBank of Pittsburgh to purchase participation interests of up to one percent, not to exceed \$7.5 million, in pools of mortgage loans held by the FHLBank of Chicago under the MPF pilot program.

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "Bruce A. Morrison". The signature is stylized with a large, looped initial "B" and a cursive "Morrison".

Bruce A. Morrison, Chairman