



No.: 2000-47
Date: December 20, 2000

FEDERAL HOUSING FINANCE BOARD

Issuance of an Advance Notice of Proposed Rulemaking Concerning Revisions to Federal Housing Finance Board Capital Regulations

WHEREAS, as mandated by the Gramm-Leach-Bliley Act (GLB Act), the Board of Directors (BOD) of the Federal Housing Finance Board (Finance Board) has today adopted a final rule prescribing uniform capital standards applicable to each Federal Home Loan Bank (Bank), thereby implementing the capital provisions contained in the GLB Act;

WHEREAS, the GLB Act requires that each Bank submit a plan establishing and implementing a capital structure for the Bank not later than 270 days after the date of publications by the Finance Board of such final rule;

WHEREAS, the Finance Board recognizes the importance of the GLB Act capital provisions and of the final rule to the future and stability of the Bank System and believes it is important to avoid delay in implementation of the process;

WHEREAS, the Finance Board recognizes that the restructuring of the capital system of the Banks may introduce uncertainties not contemplated by or fully addressed in the final rule and that unforeseen issues may arise as the Banks develop their capital plans; and

WHEREAS, decisions, rulemakings and interpretations to be adopted by other regulatory bodies affecting Bank members on issues concerning the new Bank stock, such as the risk weighting of capital, tax treatment at time of conversion and other regulatory, tax and accounting issues are either pending or awaiting issuance of the final rule, and may require prompt action by the Finance Board in light of those decisions, rulemakings or interpretations;

NOW, THEREFORE, IT IS RESOLVED THAT the Finance Board shall monitor the tax, accounting, and other issues associated with the capital rule and that, to the extent consistent with its primary duty to ensure the safety and soundness of the Banks, the Board of Directors is prepared to act promptly to address any such issues as they arise;

IT IS FURTHER RESOLVED THAT the Board of Directors of the Finance Board hereby directs staff to develop for its consideration by no later than February 28, 2001, an Advanced Notice of Proposed Rulemaking seeking information and comment on any issues, aspect of the final rule, the capital planning process, actions by other regulatory bodies or other events in the general economy affecting the capital development of the Banks that could require further action by the Finance Board.

By the Board of Directors
of the Federal Housing Finance Board

/s/ William C. Apgar

William C. Apgar,
HUD Secretary's Designee to the Board