



No.: **2003-17**

Date: **August 6, 2003**

FEDERAL HOUSING FINANCE BOARD

Capital Structure Plan of the Federal Home Loan Bank of San Francisco  
Waiver of Withdrawal Notice Requirement

WHEREAS, by Resolution Number 2002-35, dated June 12, 2002, the Board of Directors of the Federal Housing Finance Board (Finance Board) approved the capital structure plan (Plan) of the Federal Home Loan Bank of San Francisco (San Francisco Bank), and by Resolution number 2003-16, dated August 6, 2003, approved amendments to the Plan; and

WHEREAS, section 6(a)(6) of the Federal Home Loan Bank Act (Bank Act), 12 U.S.C. § 1426(a)(6), provides that the statutory requirements relating to the purchase and retention of capital stock of a Federal Home Loan Bank (Bank) by any member thereof in effect on the day before November 12, 1999, shall continue in effect with respect to a Bank until the Finance Board regulations related to the capital structure plans have taken effect and the capital structure plan for such Bank has been approved by the Finance Board and implemented; and

WHEREAS, as of November 11, 1999, section 6(e) of the Bank Act, 12 U.S.C. § 1426(e), generally required a member to give six months notice to the Finance Board before it could withdraw from membership in a Bank, which notice provision the Finance Board previously has determined may be waived in certain circumstances; and

WHEREAS, the San Francisco Bank Plan, as amended, allows any current member to opt-out of the conversion to the new capital structure and terminate its membership by notifying the Finance Board and the San Francisco Bank of its intent to withdraw from membership no less than three months prior to the effective date of the Plan; and

WHEREAS, the San Francisco Bank has demonstrated that allowing a member to withdraw pursuant to a timely opt-out notice submitted under section III.A.3 of the San Francisco Bank Plan is consistent with the standards previously established by the Finance Board for waiving the six-month notice requirement of section 6(e) and would not endanger the safety and soundness of the San Francisco Bank or the Bank System.

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors hereby waives the six-month notice requirement of section 6(e) of the Bank Act, in its form as of November 11, 1999, for any member of the San Francisco Bank that files a notice of withdrawal that complies with section III.A.3 of the San Francisco Bank Plan.

By the Board of Directors of the Federal Housing Finance Board

*/s/ John T. Korsmo*

---

John T. Korsmo  
Chairman