



No.: **2004-08**
Date: **June 23, 2004**

FEDERAL HOUSING FINANCE BOARD

Delegation of Authority to Enter into a Written Agreement
with the Federal Home Loan Bank of Chicago

WHEREAS, section 2A(a)(3) of the Federal Home Loan Bank Act (Bank Act) (12 U.S.C. § 1422a(a)(3)) requires the Federal Housing Finance Board (Finance Board) to ensure that the Federal Home Loan Banks operate in a financially safe and sound manner;

WHEREAS, to ensure that the Federal Home Loan Bank of Chicago (Chicago Bank) continues to maintain its safe and sound condition, to operate in a prudential manner, and to meet or exceed all requirements of the Bank Act and Finance Board regulations and policies, the Board of Directors has determined that the Finance Board should enter into a written agreement (Agreement) with the Chicago Bank that addresses specific regulatory, policy, and operational issues identified by the Office of Supervision, in accordance with section 2B(a)(5) of the Bank Act (12 U.S.C. § 1422b(a)(5)); and

WHEREAS, the Director of the Office of Supervision has consulted with the Board of Directors regarding the provisions of the Agreement.

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors delegates to the Director of the Office of Supervision the authority to enter into an Agreement with the Chicago Bank on behalf of the Finance Board in substantially the same form as the Agreement presented to the Board of Directors at its meeting today.

IT IS FURTHER RESOLVED that after entering into the Agreement, the Director of the Office of Supervision will periodically report to, and consult with, the Board of Directors concerning the Chicago Bank's progress in fulfilling the terms of the Agreement.

By the Board of Directors
of the Federal Housing Finance Board

/s/ Alicia R. Castaneda

Alicia R. Castaneda
Chairman