



FEDERAL HOUSING FINANCE BOARD  
OFFICE OF GENERAL COUNSEL  
1625 Eye Street NW, Washington DC 20006  
Fax: 202/408-2580

May 3, 2006

Mr. J. Mikesell Thomas  
President & CEO  
Federal Home Loan Bank of Chicago  
111 East Wacker Drive, Suite 800  
Chicago, IL 60601

Dear Mr. Thomas:

The Federal Housing Finance Board (Finance Board) received a notice, dated June 9, 2005, that the Federal Home Loan Bank of Chicago (Bank) plans to accept closed-end home equity loans in the second lien position (home equity loans) and home equity lines of credit (HELOCs) as eligible "other real estate related collateral." The notice was submitted in accordance with the Finance Board's regulation for new business activities found at 12 C.F.R. part 980. The Bank supplemented this initial submission with additional materials on January 11, 2006.

Pursuant to delegated authority, I am sending this letter to provide the Finance Board's consent to the Bank accepting home equity loans and HELOCs as collateral along the parameters described in the Bank's notice and supplemental materials.

Sincerely,

  
John P. Kennedy  
General Counsel

cc: Stephen M. Cross  
Christie Sciacca  
Duane V. Creel  
Jim Shannon  
Ellen Hancock