



March 6, 2000

Senior Vice-President and
Chief Financial Officer
Federal Home Loan Bank of

NO-ACTION LETTER: Income Statement Waiver (2000-NAL-01)

Dear Mr. :

This responds to your request of February 8, 2000, for a waiver of 12 C.F.R. § 937.3, which requires that any financial statement contained in an annual or quarterly report issued by an individual Federal Home Loan Bank (FHLBank) be consistent in both form and content with the financial statements prepared and issued by the Federal Housing Finance Board (Finance Board). Your request is to add line items presenting REFCORP payments as a reduction of net income for the 1999 annual financial statements to be prepared by the FHLBank. You also propose to make disclosures explaining: 1) the FHLBank's reasons for changing its income statement; 2) the impact the change will have on two of the FHLBank's performance ratios; and 3) the FHLBank's determination that the change will have no other effect. Such items are not consistent with the 1999 year-end income statement prepared for the FHLBank System.

In March 1999 the Finance Board approved a similar request for waiver for another FHLBank. Since the facts of the current request are in substance identical to a prior request, the Office of Supervision will take no supervisory action if the FHLBank shows REFCORP payments on the face of its 1999 year-end income statement.

If you have any questions, please contact Mitchell Berns, Director, Office of Supervision, at 202-408-2562.

Sincerely,

/s/ William W. Ginsberg

William W. Ginsberg
Managing Director

cc: Mitchell Berns
Jerry Schober