

No.: 96-14
Date: January 23, 1996

FEDERAL HOUSING FINANCE BOARD

Financial Management Policy Exception Granted to the Federal Home Loan Bank of [REDACTED]

WHEREAS, the Federal Home Loan Bank of (FHLBank or Bank) has requested Federal Housing Finance Board (Finance Board), approval of an exception to the Financial Management Policy (FMP) that would allow the Bank to purchase bonds issued by the [REDACTED] to finance the [REDACTED] and

WHEREAS, counsel for the Bank has opined that the purchase of such bonds is authorized under Section 11(h) of the Federal Home Loan Bank Act, which permits the FHLBanks to invest in such securities as fiduciary and trust funds may invest under the laws of the state in which the FHLBank is located; and

WHEREAS, the FMP does not currently permit FHLBank investment in such bonds; and

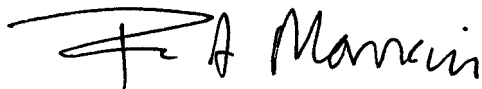
WHEREAS, FHLBank financing of the [REDACTED] is a mission-oriented initiative that will contribute to housing and economic development in a chronically distressed area of ;

WHEREAS, the FHLBank will undertake minimal credit risk and manageable interest risk in providing such financing; and

WHEREAS, the FHLBank has stated its interest in having interested members join with the FHLBank in this community investment opportunity.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Finance Board hereby approves an exception to the Financial Management Policy which authorizes the Federal Home Loan Bank of [REDACTED] to purchase up to \$ [REDACTED] million in double-A rated bonds issued by the [REDACTED] to finance the [REDACTED]; provided that the FHLBank make opportunities available for participation in this community investment initiative to interested members that have the capacity to safely engage in such investment.

By the Board of Directors of the
Federal Housing Finance Board



Bruce A. Morrison, Chairman