



June 1, 2000

Mr. Peter E. Gutzmer  
Senior Vice President, General Counsel & Corporate Secretary  
Federal Home Loan Bank of Chicago  
111 East Wacker Drive  
Chicago, Illinois 60651

Re: Minimum Number of Board of Directors' Meetings (2000-WV-01)

Dear Peter:

This is in response to the Federal Home Loan Bank (Bank) of Chicago request for the Board of Directors of the Federal Housing Finance Board (Finance Board) to waive 12 C.F.R. § 918.7(a) of the Corporate Governance Responsibilities regulation to allow the Bank to hold six board of directors' meetings in the year 2000.

On March 14, 2000, the Finance Board issued a final rule that requires a Bank's board of directors to continue to maintain its level of oversight of the management of the Bank notwithstanding the limits on annual directors' compensation established by section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. § 1427(i)). The rule also requires the Bank's board of directors to hold a minimum number of in-person meetings in any year equal to the lesser of nine or the number of in-person meetings held by the Bank on average over the immediately preceding three years (which number, if a fraction, may be rounded down the nearest whole number, in the Bank's discretion). *See* 12 C.F.R. § 918.7(a). In the Chicago Bank's case, the average number of meetings over the immediately preceding 3 years is 8.67 and, in its discretion, the Chicago Bank could conduct a minimum of 8 meetings in 2000.

Section 918.7(b) of the final rule also allows a Bank to apply to the Finance Board for a waiver of the minimum number of meetings requirement pursuant to the procedures set forth in 12 C.F.R. part 907. Among other reasons, the Board of Directors of the Finance Board may waive a provision of the final rule, in part, upon a showing of good cause. Finance Board staff has reviewed the Chicago Bank's waiver request and supporting documentation and is of the view that the Chicago Bank has not made a showing of necessary good cause to approve the waiver. Therefore, the Chicago Bank's waiver request is deemed withdrawn.

If you require additional information or assistance, please feel free to contact me.

Sincerely,

*/s/ William W. Ginsberg*

William W. Ginsberg  
Managing Director

cc: Bruce A. Morrison J. Timothy O'Neill William C. Apgar James L. Bothwell Deborah F. Silberman Mitchell Berns