



November 30, 1999

President and CEO  
Federal Home Loan Bank

NO-ACTION LETTER: Income Statement Waiver (1999-NAL-04)

Dear Mr. :

This responds to your request of September 22, 1999, 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 continue adding line items presenting REFCORP payments as a reduction of net income for the 1999 annual and subsequent semiannual financial statements to be prepared by the FHLBank. Such items are not consistent with the income statements prepared for the FHLBank System.

On March 15, 1999, the Board of Directors of the Finance Board approved a request for waiver that allowed the FHLBank to continue its practice of adding line items to its 1998 annual and semiannual statements of income to present REFCORP payments as a reduction of net income. Since the facts of the current request are identical to your prior request, the Office of Supervision will take no supervisory action if the FHLBank continues showing REFCORP payments on the face of its 1999 annual and semiannual income statements.

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

Sincerely yours,

*/s/ William W. Ginsberg*

William W. Ginsberg  
Managing Director